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# ***JPRS Report***

## **Soviet Union**

### ***Economic Affairs***

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# Soviet Union

## Economic Affairs

JPRS-UEA-88-029

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## ECONOMIC POLICY, ORGANIZATION, MANAGEMENT

### **Economist Responds to Hewett Article on Markets, Competition**

18200174a Moscow *SOTSIALISTICHESKAYA  
INDUSTRIYA* in Russian 11 May 88 p 3

[Article by Ed Hewett, American sovietologist, followed by response from R. Simonyan, Soviet economist, under "International Life: Events, Facts and Opinions" rubric: "Restructuring and Business Competition"]

[Text] It rarely happens that internal transformations in one country attract the attention of the whole world. But our restructuring has aroused just such interest. There are many reasons for this. The spectrum of opinions about the revolutionary transformations under way in the USSR is extremely broad—from hearty approval on the part of those who see them as a movement towards the highest qualitative level to insidious scepticism, through which one can discern the secret hope that socialism in the USSR will be "dismantled". We also see genuine interest on the part of many foreign scientists, including economists.

This group includes the American scholar Ed Hewett, chief editor of *SOVIET ECONOMICS*, published in the United States. He is also the author of "The Soviet Economic Reform: Equalization Versus Efficiency", which was recently published in the United States. He also works as a senior scientific associate in the prestigious Brookings Institute, which has close ties to the highest United States government circles.

We are publishing his article, which he wrote for the column "Business Club: Foreign Economics and Technology", as well as a commentary by R. Simonyan, doctor of economic sciences, and department head at IMEMO AN SSSR [USSR Academy of Sciences Institute of World Economics and International Relations]. AN AMERICAN SOVIETOLOGIST'S OPINION

Like many Western social sciences scholars who have held a long-term and constant interest in the Soviet Union, over the last three years I have followed the progress of restructuring with enthusiasm and delight. Restructuring is a real world-wide revolution which, if it continues, promises tremendous changes in Soviet society as well as in international relations. I count myself as being among the numerous Americans who hopes it will succeed.

But hopes should not blind one from reality, and as an economist, I see that economic reform—the heart of restructuring—is being threatened. The main problem lies not in the bureaucratic resistance which has been given so much attention by the Soviet press. The main problem is that the principles forming the basis of the reform are so incomplete as to make the economic

system now being set up non-viable. Consequently, either the reform itself has to be changed or centralized interference will continue on a massive scale. There is no third conclusion.

Soviet enterprises are oriented towards their ministries and their obligatory planning indices rather than toward the needs of their customers or toward opportunities to improve the efficiency of their work. The reform is striving to change this situation by freeing enterprises from the petty guardianship of the ministries while at the same time hinging their prosperity on how successfully they will fill their orders and how efficiently they will be able to conduct their affairs. Evidently, this infers that the new system of economic administration inevitably forces enterprises to improve the quality of their output to attract new customers, and to cut costs in order to increase profits and, consequently, bonuses. This is precisely the suggestion, and it occupies a central place in the concept of the reform, which is naive at best and in all likelihood simply incorrect.

In principle, the industrial countries of the West utilize two factors to prompt enterprises to update for the purpose of lowering costs and improving the output they produce: these are the perfectly real possibility of business failure and the equally real possibility of major gains if the correct decision is made. The possibility of failure is determined by the conditions inherent in actual competition: an enterprise which allows production costs to rise, or ceases to upgrade its output, begins to lose customers to competitors, its profits decline, and in the final analysis, if it fails to take effective measures, it is either liquidated or is purchased by another firm.

It is precisely the presence of competitors which compels an enterprise to find ways to cut its costs and search for new products which will attract new customers. Without this competitive pressure, costs would be higher and there would be less product upgrading. No orders from the center and no amount of exhortation can affect an enterprise like the unremitting competitive pressure of the struggle for a share of the market.

At the same time, enterprises which either make the right decisions or are just lucky, can achieve great gain. It is precisely this potentially great gain which acts as a powerful stimulus and compels enterprises to take risks, the most important element in the process of production upgrading.

Soviet enterprises are presently under no competitive threat of any sort, either in their country's internal marketplace or from outside. The country's import barriers are practically impenetrable and this is usually justified by the the widely disseminated notion that the Soviet Union should import only what it cannot produce and should strive to produce as much as possible. It is precisely this devotion to the idea of autarchy, which

idea is extremely costly to society, which is apparently the main cause of the inefficiency and laggardness of the non-military sectors of Soviet industry.

Using import barriers to prevent business competition is also reinforced by the absence of competition between Soviet enterprises. Despite the fact that the enterprises produce a broad array of output for domestic needs, their commodity production is officially limited to a narrow range of products approved by the ministry and included in the plan. The result of this is a state-sanctioned monopoly position for the enterprises in the basic commodities markets, where the ministries jealously safeguard the right of "their" enterprises to sell "their" goods. The ministries are inimical to competition by their very nature and have the full backing of the law, and this leads directly to such Soviet industrial misfortunes as higher costs and poor-quality output.

This lack of competition gives enterprises a monopoly position which in turn provides them with a number of ways to live a carefree life while doing nothing to improve output quality or cut costs. The absence of competition from imports means that Soviet enterprises can also continue to produce and sell output which could not be sold to customers in world markets. The absence of any appreciable competition allows Soviet enterprises to avoid cutting costs and increasing prices by introducing "new" products about which there is nothing new. Customers are perfectly capable of seeing what is going on, but since they have no choice, they are forced to take what Soviet industry gives them. Goskomtsen [State Committee on Prices] does its best to regulate hidden inflation through more stringent price-setting regulations, but to no avail.

The economic reform, which was begun this year by putting the new Law of State Enterprises into force, has not been accompanied by a swing towards widespread and active competition. Restructuring is being carried out within a rigidly protected market in which enterprises take full advantage of their monopoly position.

The outcome is easy to predict. The enterprises will comply with the new requirements on **self-financing and self-recoupment** by speeding up the introduction of "new" products which do not exist, and as a result hidden inflation will increase. Nor will there be any decisive improvements in the quality with which output is produced or in its technical level. The enterprises will find numerous ways to easily avoid a decisive jolt in improving quality and technical level.

The central apparatus, seeing the poor level of their work, prefers to lay the blame for the rigid control of the economic system at the door of the enterprises and ministries. To those who never liked the reform, these difficulties will justify the announcement that the concept of a radical economic reform will by and large lead to no good whatsoever. The upshot is that the entire notion of reform will be threatened.

In fact, it will not be the enterprises or the ministries which will be at fault, but primarily the economists and the political leadership, who were incapable of seeing that competition is the key to successful reform. As long as this question remains avoided and not understood, all the best objectives proclaimed in the **Basic Directions** will remain unachieved. A SOVIET ECONOMIST'S RESPONSE

**Our press has an established tradition of emphasizing the negative aspects of competition. We are quite familiar with these aspects. We consider it far worse that it is in fact the competitive relations of the capitalist economic system which are the motive force for scientific and technical progress and for improving production efficiency.**

In order for producers to survive and be victorious in the competitive struggle, they must make every effort to cut costs, increase labor productivity and upgrade their products as quickly as possible by making use of the advanced achievements of scientific and technical progress. Competition forces companies to offer their goods on better terms than their competitors, to expand the variety and improve the quality of their products, to expand the number of their consumer properties and aftermarket services, and to react promptly to changes in consumer demand. And it prevents the establishment of the high prices associated with monopolies.

E. Hewett sees the fundamental problem of the USSR's economic reform in the fact that in the course of our restructuring, we have failed to introduce enough competitive mechanisms for the market economy. It would be a simple task for me to limit myself to polemics and find arguments prove that E. Hewett is incorrect in the formulation of his question. I could refer to the State Enterprise Law, which in its first few lines literally says that enterprises operate contentiously, and I could give examples of how, along with the words "competition" and "contentiousness", we make increasing use of the term "socialist competition". Finally, I could mention that not only the press but the highest forums call for an end to the producer's monopoly, and for consumers to be given freedom of choice.

It is not a question of whether we need competition or not. It is a question of a workable way to set up a competitive mechanism which on the one hand would be as effective as those used in capitalist countries, and which on the other hand would be devoid of their large-scale social costs. So this is really an extremely difficult problem, and one which needs to be solved immediately. And why immediately?

Right now we are all concerned about the fact that we cannot make any headway whatsoever towards a decisive breakthrough concerning the negative and perplexing trends in our economic system, and that the administration-by-command system fails to provide rules and

emasculates all the measures aimed at demolishing it and creating a new economic mechanism. Right now I see the primary problem as consisting in finally turning words into deeds.

But there is something else about which we need to have a clear conception. By themselves, new economic management methods are no panacea for all troubles, nor do they guarantee automatic solutions to all our difficulties. What's more they may be accompanied by unwanted consequences.

Danger Number One involves inflationary price increases. Under cost-accounting [khozraschet], an enterprise is naturally interested in raising prices for its output since its well-being will depend directly on this. If the enterprise has a monopoly, it has essentially unlimited opportunities to raise its prices since, other than the consumer's ability to pay, our economic system has no built-in economic limiters on price increases. This means that in order to prevent an inflationary spiral, the state will have to continue to actively intervene in the price-setting process. This, in turn, will put prices out of touch with supply and demand, will consequently lead to unavoidable arbitrariness and will give foreign economic factors a determining role in setting prices. This starts a vicious circle and the decision to use economic management methods will force us to return to our present situation, which we want to change.

Next. Our chronic malady is the reluctance of our enterprises to use scientific and technical innovations. I feel that everyone is now aware that we will not solve the problem of accelerating scientific and technical progress only "from above", i.e. through centralized allocation of capital investments for research and development and for expanding individual production procedures and production facilities; or by taking organizational measures, no matter how essentially correct they are. Nor will we solve it as long as the upgrading of our output and our technical production base do not begin with the demand for self-development on the part of enterprises. Cost-accounting opens up opportunities to do this, but again, only when enterprises do not hold monopolies and do not dictate their conditions to the consumer.

Expansion of cooperative and individual forms of labor activities, which E. Hewett does not even mention in his article, are the first step towards undermining producers' monopolies. Of course, it is a fearful step to take, since those working in cooperatives can be in situations which obviously differ from state enterprises from the standpoint of their accessibility to the objects worked on and the means of livelihood, their use of resources etc. We should hope that as our wholesale trade expands, the situation concerning our opportunities for obtaining raw materials and needed machinery and equipment will change for the better.

Obviously, another important step could be the practical realization of the right of enterprises to initiate production of those types of products which the enterprises themselves choose to produce and perceive as economically advantageous to themselves. They should have the right to diversify their activities regardless of their departmental or sectorial subordination. Otherwise departmental interests will eat away at the economic system and put it at odds with state interests, thus suppressing the interests of those directly involved in production as well as the consumers. As a matter of fact, there is a need not only to grant the enterprises independence, but to provide conditions favorable to increasing their mobility and to provide them with opportunities for rapidly transferring all types of financial, material and manpower resources. Here, too, much will depend on how the reform progresses in the areas of wholesale trade, credit and financing etc.

Obviously, competition in the realm of foreign products could be an effective means for putting pressure on our monopolistic producers. But in order for us to earn these kinds of assets, the consumer must be able to choose between Soviet and foreign output. And for the consumer to be able to choose, the ruble needs to be convertible, if only partially. By convertibility, I mean allowing enterprises to purchase currency and then to use it to purchase the foreign goods they need. The policy of ruble exchange should be the real basis for comparing the prices of Soviet and foreign output and taking their quality and technical level into account, and should be the basis upon which enterprises make independent decisions to purchase this or that output on a competitive basis.

Failure and ruin, as E. Hewett justifiably says, are two of the inherent consequences of (and, simultaneously, incentives for) the competitive struggle. This is why introducing the competitive mechanism into our economic life requires that we accelerate the development of such elements of the social infrastructure as our employees' job-placement system as well as their training and retraining programs, social insurance and social security etc. As these things are done, little is said about the absence of unemployment, and the state has to make constant tremendous efforts to provide jobs and social guarantees for those whom competition, for one reason or another, will displace from their usual jobs.

With all the obvious debatableness of many of the American author's assertions, the topic he addressed is doubtless worthy of serious discussion.

12659

#### **Intended, Real Development of Enterprise Independence Contrasted**

*18200154 Moscow EKONOMICHESKAYA GAZETA in Russian No 17, Apr 88 p 16*

[Article by V. Minayev, director of the All-Union Scientific-Research Institute of Metrology, Testing and Standardization in Instrument Building]: "Responsibility Without the Right To Decide"]

[Text] Restructuring the economic mechanism, as we know, stipulates the development of independence for

enterprises and organizations in making technical and economic decisions and intensifying the economic responsibility for their consequences. This also undoubtedly pertains to establishing the technical level of new production. Who answers for this today, and in what way?

From the formal point of view, everything is going well here. Responsibility, including personal, for the technical level of the new production is placed by the appropriate decrees and directive documents on the main designers, developers and consumers (purchasers). But must they answer for their actions?

The state standard for the specific form of production is now being worked out by the head organization—the producer—who coordinates it with the principal consumers. Then this document passes through the mass of every possible agency. I will not discuss the fact that the red tape involved in the final approval drags on for almost a year and that many official stamps are merely formal—that is nothing new. There is something else that is worse: in these same agencies, neither the opinions of the authors of the standard nor of the purchasers are taken into account—they correct a document as they think fit.

There is a mass of examples of this. Contrary to the opinion of the author and the consumer, the precision class 0.25 was introduced in the GOST approval for differential manometers. Now, three years later, this addition has to be eliminated from the standard, since the items with this precision class rating permit measurements to be made within a very narrow range, which is inexpedient. In the standard for the data-computer packaged based on mini- and micro computers, no one knows why they changed the dimensions (equivalent operations per second—to quality of operations per second), which distorted the meaning of the most important indicator. One of the cheapest classes —“C”—was completely excluded from the standard for the thermal converter for a resistor, even though it is resistors of this precise class that are in greatest demand among power machine builders and gas workers.

Just how can a developer be responsible for the indicators listed in the standards, under these conditions?

They can retort to me that the developers themselves are “not without sin”: they sometimes understate the requirements for the product. This probably happens. Two typical situations are encountered here.

The first—the head designer has consciously and without substantiation understated the “plank” and deceived the consumer. For this case there is a clause in the Labor Law Code on improper execution of service obligations. As they say, no further comment is necessary.

The second—the designer has no information on analogies in leading firms. This, unfortunately, is not uncommon, since our scientific-technical information system is still by no means brilliant. This means that we must improve it and not try to complicate the process of working out a standard.

Reform of the economic system forces those creating a new product to sharply reduce the periods for its development and more efficiently respond to the consumers' requests. How does one act, for example, if a customer requires an item with characteristics differing from those listed in the standard? Issue the item in deviation from GOST or extend the manufacturing period? But who needs such an inflexible partner?

To carry out standardization in accordance with the requirements of the new cost accounting mechanism there must be a radical change in its structure—from the state level to the standardization service of individual enterprises. Here, of course, a unified technical policy must be ensured. How can this be done? I would like to share some of our proposals.

As one of the necessary steps in this direction, it is proposed that, instead of the existing GOST for a group of products, the standard of the head designer be introduced. This standard will establish the technical level of the groups (types) of similar output on the basis of international standards and consumer requirements. When necessary, it can also include indicators ensuring the compatibility of the items (mounting dimensions, etc.) and a list of organizational-methodological and general technical standards extending to the given group of articles. The parameters of the product, incorporated into the standard, should bring it to world level. There will be only two authorities to approve this document—the head designer and the basic consumer—and to coordinate—Gosstandart. In our opinion, this will permit the developer, when creating a new product, to take into consideration the latest achievements of scientific-technical progress and to answer with full substantiation for the technical level established.

In order to satisfy most fully the consumer demands for a high-quality product, instead of technical specifications, a PO (NPO, GPO) standard could be introduced, establishing not only the technical, but also the qualitative level of the specific product, doing this according to its competitiveness. Naturally, it should not contradict the standard of the main designer. The program and testing methodology, coordinated with the state acceptance board, should be added to the standard PO (NPO, GPO) as a supplement. This ensures the guaranteed quality of the finished product in consideration of the specific nature of the enterprise.

For items produced in accordance with direct orders, a supplement to the PO (NPO, GPO) can be specified, establishing the requirements for the technical level and quality of the product, issued at the price agreed upon. The effective period of this supplement is limited by the period of filling the order.

I foresee the question: does replacing GOST by the standards of the main designer "bury" the unification of items? After all, every developer will strive to adapt the design of the assemblies and parts to specific production conditions. This danger undoubtedly exists, and to prevent its happening, the package of basic GOST must remain. What does this package include? State standards ensuring the requirements of intersectorial unification and compatibility of items, and guaranteeing ecological purity of production and its safety for man.

The changes proposed in the standardization system will make it possible to create an efficient and flexible mechanism for controlling the technical level and quality of items, and to establish close economic interrelations between the developers, manufacturers and consumers of a product. Only with adherence to these conditions will the head designer bear the actual, not formal, responsibility for his own offspring.

12151

#### **Academician Bronshteyn on Estonian SSR Khozraschet**

##### **Answers Readers' Questions**

18200187 Tallinn SOVETSKAYA ESTONIYA in  
Russian 5 May 88 p 4

[Article "Two Colors of the Time: Decisiveness and Tolerance"]

[Text] "We attended a discussion organized by the "Forum" Section of the Estonian SSR Union of Journalists on Problems Connected With Our Republic's Transition to Khozraschet.

Academician M. Bronshteyn's address was interesting and conclusive. But in the process of reflecting on what we had heard, additional questions arose. Could you ask Academician M. Bronshteyn to answer these questions in the newspaper?

##### **FIRST QUESTION:**

M. Bronshteyn said that prominent economists in the nation, including Gavriil Popov, essentially supported the idea of regional khozraschet. But last year we read in the journal NAUKA I ZHIZN an article by G. Popov in which he espoused the following point of view: the regional market tends to demand that the region be surrounded by a state boundary. How is one to understand this?

##### **SECOND QUESTION:**

Republic khozraschet must be based on equivalent exchange between the Estonian SSR and other regions of the nation.

But is this possible under present conditions? The press is filled with alarming materials stating that contrary to the Law On the State Enterprise (Association), ministries are using the state order [goszakaz] not for 70 percent of the enterprise's output, as stipulated in the Law, but for 100 and even 105 percent. This means that most of the nation's enterprises will have nothing left to sell in the free market. How can we speak of equivalent exchange in such a case?

[signed] M. Nikodimov, L. Gutman, Yu. Gorodetskiy."

##### **Dear readers!**

Our correspondent S. Stavitskaya met with Mikhail Lazarevich Bronshteyn, academician of the Estonian SSR Academy of Sciences, and asked him to answer these and certain other questions. We now present the talk that ensued.

In Gavriil Popov's article in NAUKA I ZHIZN (No 11, 1987), there is indeed mention of a regional "boundary," but in the same article, as in others, he supports the idea of creating sovnarkhozes (SNKh's). G. Popov is moreover a passionate advocate of economic regulatory methods. But if the idea of creating sovnarkhozes (territorial self-government) is combined with the principles of economic regulation, the result will be a system that we today call territorial khozraschet. Under our conditions—republic khozraschet.

I must say that the realization of this idea does not require the creation of any kind of "state" boundaries, customs houses, etc. Enterprises in our republic will function within the framework of the Union complex.

G. Popov believes that the functions of sovnarkhozes created under the conditions of perestroika must be fundamentally different from those in the late fifties and early sixties.

The main function of the SNKh (territorial) is to answer for the economy of a region as a whole. They must have functional, branch, and infrastructural subdivisions. At the same time, there is a considerable increase in the emphasis on the independence of enterprises and their responsibility for the results of their activity.

Naturally the territorial sovnarkhozes must have a clearly defined conception of the region.

Of course this is the most general answer. But I hardly have the right to expound G. Popov's conception. His articles are published by many publications and I therefore have the possibility of studying them.

Let us take up the second question asked by your readers. In the present situation it is indeed very complex.



Indeed what can the enterprises in our republic purchase in the internal free market if it essentially does not yet exist? Unrestricted trade at wholesale trade fairs frequently remains a fiction. It is still the practice to assign suppliers [to customers].

To be sure, there is also the question: **what can republic enterprises sell today** when they are also bound by the dictates of the state order which swallows up all productive fixed capital?

Both of these questions constitute the same old disease: **deformed relations of producers and customers and persistent scarcity.**

The situation in which the **producer** is in the role of **supplier** and the **customer** is in the role of **dictator** should be considered normal. And not the other way around! As was the case for many years in our country and is still continuing. This was absolutely ruinous to the economy.

I want to cite an anecdotal example that vividly characterizes the stagnation of bureaucratic thinking.

A Soviet specialist was sent to work as a probationer with a West German firm. The owner of the firm went away temporarily and left the "probationer" in charge of the firm. Upon his return, he asked how things had gone in his absence. "Splendidly," the 'probationer' answered, "I drove off every single customer." The owner of the firm almost had a heart attack because the loss of customers was catastrophic to him.

**Full khozraschet and the regularization of commodity-monetary circulation among us as well must confront the heads of enterprises with a strict choice: either he must look for customers or he must declare bankruptcy.**

Unfortunately we are still in the thrall of the old thinking. It is specifically for this reason that we today honestly admit that the Law on the State Enterprise (Association) practically does not work. Nevertheless, the dictates of extraterritorial departments that have essentially become monopolies that ignore the interests of enterprises that suppress their initiative remain in effect.

[Question] The question naturally arises, Mikhail Lazarevich: **what is the answer?**

[Answer] There is only one answer: the bureaucratic Carthage must be destroyed!

[Question] **Seriously?**

[Answer] Seriously? You realize that this is a global question to which anyone today can hardly provide an exhaustive, unequivocal answer. Especially within the framework of a newspaper interview. But I will nevertheless share some of my thoughts.

The present revolutionary restructuring, as we know, has been proposed from above. But it can be victorious only if there is a responsive wave, if there is mass support from below. The Law on the State Enterprise (Association) bestowed broad rights on production collectives. And no pieces of delegated legislation, no instructions—new or old—can abolish them. **We must struggle for these rights!** The work collective council has the right to dispute an illegitimate state order, to refuse to accept conditions foisted upon it by a ministry. After all, a departmental monopoly ultimately works to the detriment of the interests of the enterprise as a whole and the interests of each worker. If the will of the work collective opposes the dictates of the ministry, if such instances cease to be isolated but acquire a massive character, if the working class acts in an organized and consistent manner, "omnipotent" departments will be compelled to cease shamelessly flouting the legal rights of enterprises.

Another factor must play its role: the active will of those forces in the upper echelons of power that understand the total perniciousness of the administrative-commanding methods of economic management. Need it be added that the very principle of regional khozraschet is essentially directed against the dictates of extraterritorial departments?

[Question] I would also like to ask the following delicate question: **why is it that sociologists and not economists came forward with this idea in our republic? You will not deny that sociologists advanced the conception of this form of economic management. Economists are as yet engaged in its elaboration. Perhaps our pathfinders struck the bell prematurely?**

[Answer] The sociologists do not suggest that they invented this "powder." As we know, the idea of regional self-government matured not just today and not only in Estonia. A group of republic sociologists came forth with the proposal to discuss it widely. It is the business of economists to develop this idea in detail.

[Question] **As long as you are engaged in this important activity which brooks no delay, the passions are boiling, and the purely economic problem becomes overgrown with many others and enters the area of interethnic relations.**

What is your personal opinion: is it possible to draw a precise line between ethnic self-awareness and ethnic egoism?

[Answer] A precise line? Hardly. It can be washed away easily. As is known, our shortcomings are the continuation of our merits. The health of society (I refer to life in the republic) depends in large measure on our success in the struggle to see to it that the development of ethnic self-awareness was not complicated by manifestations of ethnic egoism and all the morose ethnic antagonism.

[Question] What practical preventive measures do we have in our arsenal? Scientists, albeit in the most heated disputes, will unquestionably analyze problems of republic khozraschet, social problems, and demographic problems and will come up with scientifically substantiated, effective recommendations. The echo of the discussions filters down vertically and horizontally to various strata of the population and sometimes acquires a different resonance at the everyday level, nurturing unhealthy trends toward ethnic antagonism.

[Answer] Unfortunately, that is precisely how things stand. Only continuous, patient educational and explanatory work can withstand such unhealthy trends. The mass media and social institutions have the obligation to join in this work actively.

In addition to such broad public discussions that are conducted by the "Forum" Section of the USSR Union of Journalists, there is need for press conferences, talks, meetings in production collectives, in institutions and organizations where those who are in doubt and who are bewildered can ask questions and receive qualified answers in order not to be fed by rumors, the spreaders of which (in some cases involuntarily due to insufficient competence and in others deliberately) distort the essence of the problem.

In explanatory work, a special role belongs to both technical and humanistic, Estonian and non-Estonian intellectuals. If only because a **truly intellectual person cannot be infected with ethnic prejudices**. He must not complacently assume that because he personally is not infected with this disease, he does not have to perform his mission of enlightenment. This is all the more true today when ultimately all processes in society determine the fate of perestroika.

**Any demarcation of forces can have a pernicious impact on its fate. Only the consolidation of common efforts (and of course independently of ethnicity) will tip the scales in the favor of perestroika and hence of our society.** How essential and important it is that this thought permeate one and all, that everything secondary, superficial and petty: national ambitions and reciprocal offenses—real and far-fetched—be subordinated to it.

In my view, the "two flowers of time": **resoluteness** in the struggle for economic reform and **tolerance** in all things, which concerns the search for reciprocal understanding in the sphere of human relations in general and all the moreso in such a subtle and complex sphere as interethnic relations.

I want to qualify this point once again: I have been as laconic as possible in my answers to your questions, including questions about problems of regional khozraschet, because I am submitting an article devoted to this timely problem to your newspaper for publication.

[Question] Which we, of course, eagerly accept. The readers will be introduced to it in the next few days.

#### Analyzes Problems, Possibilities

18200187 Tallinn SOVETSKAYA ESTONIYA in  
Russian 7 May 88 p 2

[Article by M. Bronshteyn, academician, EsSSR Academy of Sciences: "On the Conception of Republic Khozraschet"]

#### [Text] Sources of the Problem

Republic khozraschet. Probably no other economic idea has been so widely discussed in the entire history of our republic. But the perception of the idea is extremely broad and ranges from the view that republic khozraschet is the panacea for all ills of social and economic development to its active rejection. Both in our country and abroad, republic khozraschet is superficially and distordedly interpreted as an expression of a tendency toward the republic's self-isolation from the economic and political structures of the Union.

We must all understand that the idea of republic khozraschet did not originate as a result of the ill-intentioned designs of bourgeois nationalists or voices from over the "hill" (even though its use to certain political ends is not excluded). It is the natural result of the contradictions in our internal development that were revealed by the April (1985) Plenum of the CPSU Central Committee and the 27th CPSU Congress.

The dominance of administrative-command methods, the excessive concentration of material and financial resources in central departments, and the downgrading of the role of local and republic organs of state power have led to serious, occasionally catastrophic economic, ecological, and social results that have also affected interethnic relations. The depth of these contradictions in Estonia was brought to light by the so-called "phosphorite matter": the attempt of a corresponding union ministry to develop and increase the production of mineral fertilizers at any price threatened the republic with an ecological catastrophe.

Our press has been filled with examples of departmental "piracy." But it is also necessary to see their sources. Branch ministries and departments acting as representatives of the interests of the Union at the local level have essentially ceased to be the agents of these interests. The narrow departmental approach where increasing the production of a certain type of product (be it metal or cellulose, electric power or mineral fertilizers) at any price does not only exclude the whole and balanced development of a certain territory. The deceleration and lag of the country's economic and social development as a whole with a dramatic increase in resource constraints are its ultimate result.

But are branch ministries possibly the agents of scientific-technological progress? This at any rate has been the justification for preserving them. After all, in our country it is customary that the production of a new product needed by our country is accompanied the creation of a new union department. However the increase in the number of ministries has been accompanied by a simultaneous increase in the scarcity of products but their scientific-technical parameters have increasingly lagged behind those of the developed countries.

What is wrong? The advantages of the concentration of resources and efforts are nullified by the absence of real economic competitiveness of the producers. Their monopolistic position precludes effective economic stimuli for producing competitive products and sharply reduces the acceptance of new scientific technology and organizational ideas.

I will not once again touch upon the examples of the production and use of mineral fertilizers or the growth of the production of electric power in the republic. This question has been described sufficiently in the republic press.

It is suggested that the USSR Ministry of Agricultural and Tractor Machine Building did not do so very much damage to our republic. But let us try to look at the problem in broader terms. The Soviet Union produces 6.4 times more tractors and 16 times more grain combines than the USA. But their quality, especially of the quality of the combines, and their productivity do not withstand any criticism whatsoever. The average operating time of a grain combine before the first repair was 4 hours. American industry would have to work 70 years to produce the number of broken-down grain combines on the nation's farms (as of November 1987)<sup>1</sup>.

How is the ministry addressing its problems?

First of all, it is trying to increase production. It obtained many billions in investments from the state for the construction of a gigantic heavy tractor plant that the country essentially does not need in Yelabuga. As if it were developing new models. Even such a widely advertised new grain harvesting combine as the Don will increase productivity 1.5-1.7-fold under the conditions of our republic but its price will be 4-5 times higher than the old model. Hence also the increase in the production cost of agricultural produce because of which all of us have to pay higher retail prices for food.

In an effort to exclude competition and to keep their enterprises "afloat," branch ministries essentially operate according to the tested rules of the monopoly game, trying to charge high prices for their own products and to pay low prices for natural resources; they try to bring in what they consider to be "cheap" labor power from outside while at the same time keeping the cost of preserving the natural environment and the social structure at the local level to a minimum.

People will say that this is how transnational monopolies operate overseas.

But as a counterbalance antitrust legislation has appeared in the developed countries; backward countries are trying to protect their natural resources against being plundered. It is all the more necessary that there be an effective mechanism to counteract the destructive actions of departments under the conditions of our socialist and multinational country.

We should note one more extremely important aspect of the problem here: under the conditions of a multinational country, unresolved or incorrectly resolved economic and social contradictions are also inevitably reflected in ethnic relations. We read our Union [Soviet] publications: writers and scientists actively oppose the "piracy" of Union ministries, defend the purity of Baikal and Ladoga, secure the cancellation of plans to change the course of Northern rivers, etc. But it would not occur to writer Valentin Rasputin to accuse the Russian people of destroying his "small" homeland. He names specific departments and leaders of ministries or USSR Gosplan responsible for these decisions. But let us now try to understand the psychology of the indigenous inhabitant of our republic—the Estonian (incidentally, the ability to understand someone else is one of the most important signs of intelligence regardless of occupation or level of education). There is the threat of ecological catastrophe on the land where his ancestors lived. Any people strives for self-preservation and development, but the share of Estonians is steadily diminishing: 90-80-70-60 percent. If the trend continues, it can be predicted that the indigenous population will be in the minority in their own land.

"That is true," my Leningrad friends say and I understand them (I am a native Leningrader myself). "We Leningraders are also becoming less and less numerous. This is also a result of extensive development." True. But I have not seen any excessive outpouring of love for the so-called "limiters" [*limitchiki*]. I think that the situation in my hometown would change for the worse in this regard if the "limiters" were a different ethnic group and became the dominant part of the population.

Therefore we will not entirely disregard national psychology. For a considerable number of Estonians the source of their misfortunes is not a specific person but is an abstract Ivan Ivanovich in a Moscow department. In reality, Ivan Ivanovich is by no means a chauvinist but he has to address the problems of his department but he does not know and understand local problems.

Such are the real economic, social, and ethnic contradictions that have generated the idea of republic khozraschet. Its essence boils down to the understanding of the need to raise the level of economic and political sovereignty of a republic on the basis of the consistent implementation of the Leninist principle of equality given the increased emphasis on the role of economic methods and

the preservation of centralism within the framework of the Union of Soviet Socialist Republics for the realization of the most important strategic, defensive, and political tasks in our common interests. In this respect the idea of republic khozraschet is entirely consistent with the program developed by our party for the restructuring of our economic and political system on the basis of radical economic reform and consistent democratization. The problem is to fill the idea of republic khozraschet with adequate content. Here, too, we find differences of opinion on its content which is frequently divorced from economic and social problems.

### Emotions and Realities

Emotions (and they are the inevitable consequence of the aggravation of contradictions that arise in the absence of real possibilities and avenues of resolving them) give rise to naive models of republic khozraschet.

I recall numerous talks with my Tatar acquaintances after the publication of the famous article by four authors in the newspaper EDASI. They asked me: "How do you, a professional, relate to the idea of republic khozraschet?" I replied that I was positively disposed toward it. And I countered with another question: "What is your understanding of this idea?" It was here I encountered models that I would subsequently call naive.

The first reaction of nonprofessionals to my question usually boiled down to the proposal to create a closed economy within the framework of the republic. They were usually indignant that we deliver too many livestock products to other republics. In Moscow, I was confronted with the other side of the given model: Estonia was requested to increase its deliveries of meat and dairy products to the Union fund but to reduce its purchases from the Union grain fund. But after all, under the specific natural and economic conditions of the Estonian SSR, it can produce livestock products at the lowest cost while its grain production costs are higher than these costs in the southern and eastern regions of the nation. V. I. Lenin wrote that when the railroad was built, it became more advantageous for the Baltic guberniyas to sell livestock products in the Russian market and to buy grain. Of course it would also be possible to try to produce in the republic all other types of the products we need but this would be many times more expensive and the population's living standard would decline accordingly.

My opponents quite quickly abandoned the closed model of republic khozraschet but they made other proposals that boiled down to the reorientation of the Estonian economy toward Western markets.

The emotional underpinnings of the "Western" model is understandable. They are the reaction to the "piracy" of Union departments, to the constant shortage of quality consumer goods, to the fact that we are unable to acquire

modern technology. But let us come down to earth. After all, even the West does not give anything away. In order to purchase goods and technology from the West, we also have to sell our goods in Western markets. But what do we have to sell? A group of scientific experts recently met at the initiative of Academician K. Rebane, president of the EsSSR Academy of Sciences. We tried to ascertain our raw material, human, and technological resources and our potential customers and competitors in foreign and internal markets. The conclusions were not very comforting—given our present product mix and product quality, we have very modest possibilities of competing in external markets, to put it mildly. Could we perhaps follow China's example and create "special zones" with unrestricted trade and unrestricted investments of foreign capital? But foreign capital goes to the "special zones" of China primarily because of its enormous surplus of cheap labor power. But where can we find it? Should we bring in manpower from regions of the nation that have a manpower surplus? Or should we create a "show business" industry in Tallinn or Pyarnu? But here you do not only earn foreign currency.

Naturally all this is said not for the purpose of disputing the necessity of expanding our access to external markets and of finding our economic "niche" in these markets primarily through the sale of science-intensive products. There are positive examples here: a cooperative at the Physics Institute of the EsSSR Academy of Sciences has developed the production of lasers and has already received orders from Finland; the Cybernetics Institute of the EsSSR Academy of Sciences offers thoroughly competitive packages of programs for Western computers. What if we add our industry and mixed firms to our existing scientific potential for the purpose of developing sophisticated equipment and technologies? We could possibly also expand tourism, especially family tourism, from Western countries, creating the corresponding infrastructure and expanding the production of ecologically pure foods which are especially prized. Nevertheless, the basic and most advantageous markets for exchanging our products will continue to form within the framework of the Union economic complex.

In order to become convinced of this it is sufficient to make a deeper study of the economic development of Estonia and neighboring Finland. Before the revolution, they had natural markets in [St.] Petersburg and other regions of the nation. Isolation from these markets between the two world wars slowed down the development of Estonia and Finland. Incidentally, at the present time we are justifiably trying to eliminate "blank spaces" and one-sided negative evaluations of the development of Estonian national statehood before 1940. But we must not go to the other extreme and idealize its economic and political state. There was a total sufficiency of our own and Western goods in the store. However their consumption, including Estonian bacon and butter, was significantly lower than the same Western level.

In order to purchase Western goods, we had to sell bacon, butter, cheese, and eggs. In a percentual sense,

frequently more than at present even though the production of livestock products was almost half of the current level. It was also necessary to withstand the fiercest competition in foreign markets. Many industrial enterprises could not withstand it and went bankrupt. The 1913 level of industrial production had not been attained by the year 1940. Agriculture sold its produce for depressed prices in the foreign market in order to "stay afloat."

Of course, every minus also has a plus. The difficult competitive conditions promoted the development of the Estonian cooperative system which concentrated processing, agroservice, and the export of agricultural produce in its hands, thereby reducing production costs and raising quality. We note, incidentally, that even though the Estonian SSR's livestock produce in the Union market looks rather good, it can be sold only with very large losses in today's world market.

The development of the economy of Finland (it has much larger timber reserves) between the two world wars was slightly better but also considerably lower than the average European level. But as a result of the Paasikivi-Kekkonen line, Finland stabilized its political relations with the Soviet Union, rapidly developed mutually advantageous economic relations, and found a firm place for itself in Soviet and international markets. The result was the transformation of Finland into a "European Japan" which does not sell off its natural resources, but in reciprocal interest realizes above all the talent, knowledge, and industriousness of its population in the form of the most sophisticated production, including such branches as shipbuilding, machine building, electrical equipment, etc. We, too, must not abandon these branches but must retool them on the basis of the latest technology and raise labor productivity and quality parameters.

After all, when we gain access to any market—Western or Eastern, the level and quality of the life of the republic's entire population will be determined by the level of costs and the quality of republic products. The basic interests of our republic's indigenous population, of the people who move to the republic, of our entire republic and the nation as a whole coincide here. Such a position determines the place of each worker in the republic and Union complexes—it will be evaluated in accordance with the talent, knowledge, industriousness, and specific contribution to the growth of the common well-being.

Wherein does the problem lie? First of all, in correctly measuring the contribution of each region, enterprise, and worker to the growth of the common well-being. In developing the creative strengths of the people—the master of their land and their fate. In defending natural resources and securing the normalization of national relations. The working conception of republic khozraschet is designed to resolve these problems. What is needed for this?

First, it is necessary to have a substantiated conception of long-range scientific-technological and social progress. Thus far, what we call a conception is essentially a mechanical sum of the plans and long-range programs of individual union and union-republic departments.

We note that no one creates this conception for us. But we ourselves are not very prepared to develop it. We are accustomed to awaiting commands from above. And the volume of information is extremely low. The same problems are presently addressed by Hungary, for example, which is investigating the possibilities of new technology and organization, internal and external sources of raw materials and investment, methods of attracting them, etc. In Budapest alone there are two marketing research institutes (that study the market and market regulation techniques). Until recently, however, we considered marketing a "bourgeois thing" (like genetics and cybernetics at one time).

But it is not enough to have a scientific conception of technological progress and the theory and practice of marketing. It will be increasingly difficult for us to compete in foreign and union markets. And here **state support for innovation** is essential. Let us note that it exists in all developed capitalist and socialist countries. But an innovation is not any new development in equipment, technology or organization (we have enough of this). Innovations are only those solutions that reduce production costs per unit of output, that improve the quality of the product, and that accordingly make it more competitive. The corresponding programs are developed to this end; there is also a system of state subsidies (that defray part of the costs of enterprises and associations) and tax benefits that are conferred on a competitive basis for truly effective designs and decisions. We should create the corresponding innovative mechanism in our republic.

**Second**, it is necessary to secure truly mutually advantageous **equivalent exchange** between our republic and other regions of the nation. After all, if you buy below cost and sell above cost you will appropriate part of someone else's labor gratuitously. And problems arise here.

We recall the republic population's feeling of resentment at the report that we receive more from the union fund than we give. But our departments so "ably" confused interrepublic turnover and product prices that not even an expert on the problem can understand it. According to one counting technique, we receive more than we give. According to another, the reverse is true.

I cite the example with state purchase prices on livestock products. They are differentiated by zones of the nation: they are lower in the Baltic, for example, than in the Nonchernozem Zone of the RSFSR. But the matter is further complicated by all kinds of markups in purchase prices: for farms operating near or below the breakeven point, for growth rates, etc. But our production costs are

lower, we have fewer farms operating near or below the breakeven point than even neighboring Baltic republics, and it is easier to attain high growth rates when the milk yield is at the 2000-2500 kilogram level than when it is at the 4000 kilogram level. And as a result, we sell meat and dairy products to the state for the lowest prices in the nation. And yet we buy equipment, fuel, fertilizers, and mixed feeds for the same prices as the rest of the country. The result is a rather one-sided *khozraschet* which, incidentally, makes us less interested in increasing our production of meat and milk.

Another example. As it turns out, at the behest of Union departments we are supplying electric power for less than it costs to produce to neighboring regions. And even the production costs do not take into account the total cost which includes protecting the environment, paying compensation for losses of land, and developing the social sphere for the benefit of the manpower that is brought in from the outside. Therefore, the appearance is artificially created that the increased extraction of oil shale and its use to generate electric power is highly effective (for the nation as a whole). Such are the economic and social costs of departmental "counting."

The consistent implementation of the principles of equivalent exchange does not exclude the necessity of **transferring part of the product and income created in the republic** to the execution of all-union programs. But the mobilization of these resources must be carried out in the clearest monetary form in proportion to our republic's resource potential, with due regard to the increased role of territorial management and hence of republic and local budgets in the realization of economic and social tasks.

We note that the existing system of centralization and redistribution of financial resources and national income in general is extremely tangled and unamenable to control at the local level. But the inhabitants of each republic must know that resources created by their labor are expended on the implementation of truly important and effective Union programs and not on departmental "projects of the century" or on making up for mismanagement, thefts, and corruption.

**Third, it is necessary to create an effective economic and social mechanism for protecting natural resources and for normalizing the demographic situation in the republic.** Here, too, the republic must use its sovereign rights to the fullest. When the threat of ecological or demographic catastrophe arises, it is possible to prohibit activities, the development of phosphorites, for example, or to order emergency evacuation. But we must also master effective economic mechanisms, a necessary element of which is the substantiated size of payments for resources.

The author of this article has for decades argued the necessity of introducing full payment for land that is withdrawn from agricultural use. It is painful to see the

proliferation of towns, industrial enterprises, and open-pit mines that occasionally occupy the best farmland. The USSR has 2-2.5 times more industrial area per worker than other countries. In the last 30 years, the area of farmland per inhabitant in the Estonian SSR had declined by almost half. Under *khozraschet*, this process can be hindered by merely making payment for land reflect its fertility and increasing scarcity. After long discussions, an extremely low payment of 3500 rubles per hectare (with a range between 500 and 7000 rubles) was established for farmland scheduled to be taken out of circulation. I argued that such a "price" would not stop those who were plundering the land. "But what can we do?" responsible people in the republic answered. "Such are the orders of the Union land organs..."

But we recently received a document showing that the Russian Federation is making full use of its sovereign rights to its land resources. According to a 10 November 1987 decree (No 427) of the RSFSR Council of Ministers, payment for soddy-podzolic and soddy-calcareous soil (which predominates in our republic) withdrawn from agricultural use is set at the level of 80,000-100,000 rubles in Moscow and Leningrad oblasts and in the suburban zone at 160,000-200,000 rubles per hectare of cultivated land.

Payments for manpower brought in from outside in combination with legal methods for regulating migration can have certain regulatory functions. There are also problems here that I will discuss later. But I would also like to call attention to undesirable economic and social processes that are connected not only with the action of factors that are external to the republic. After all, migrants come to Tallinn not only from Pskov and Novgorod oblasts. If we do not call attention to the existing differentiation of the levels of economic and social development throughout republic rayons, we will soon have our own "unpromising" regions that are abandoned by the indigenous inhabitants, and large areas of land that are taken out of agricultural use.

As is known, the republic agroindustrial complex was converted to full *khozraschet* starting with the new year. According to our calculations, in order to operate on the principle of self-support and self-financing, a farm must realize 280-300 rubles of profit per hectare of cultivated land. But over one-third of all farms realize a lesser sum. The general range is from plus 1200-1300 rubles to minus 50 rubles.

Strong farms are for the most part situated on the best land and are close to Tallinn. The weak farms have marginal land and are situated in the hinterlands. Thus, in 1986 profit per hectare of cultivated land in the Kharyuskiy Rayon was 657 rubles; Rakvereskiy Rayon—402; Paydeskiy Rayon—351; Valgaskiy Rayon—182 rubles; and Vyruskiy Rayon—174 rubles. It is not by chance that the demographic structure of the rural population is deteriorating in the Valgaskiy and Vyruskiy rayons and unless the appropriate measures are

taken to eliminate the unsubstantiated conditions of development today, will it not be necessary in the not so distant future to urge the indigenous inhabitants of southern Estonia to return to the place of their birth and to give them monetary compensation to help them to get settled? It would be cheaper to concern ourselves with economic and social prevention in good time.

#### What Is The Answer?

It would seem to be simple: replace branch management with territorial management. But all this has already been done. The Estonian sovnarkhoz was also in operation in the late fifties and early sixties. But the methods remained the old ones—distribution of plan targets and increasing production at any price. And “our own” bureaucrats did not prove to be much better than Moscow bureaucrats. Therefore, **the republic can successfully resolve its own problems only together with the entire country—on the basis of radical economic reform and democratization.** They first of all presuppose an increase in the economic independence and responsibility of the basic production links—enterprises and associations. The latter, naturally, will not fit within the republic framework but will seek and find acceptable partners throughout the entire nation and in foreign countries. Nor will they reject the state order from Union organs if the adoption of such an order is economically advantageous.

What will the republic organs of government do then: keep or prevent or foist their own decisions using administrative methods? We also have such experience—administrative and bureaucratic regulation of economic activity has largely devalued whatever was positive in models of rayon and republic agroindustrial complexes that we also propose building on the principles of territorial khozraschet. The solution lies in making the transition to **economic methods of management**, the essence of which boils down to the systematic regulation of the market for goods, money, and manpower with due regard to the laws of the market itself. But our cadres have not been trained for this. They are good or bad at getting a low plan (or order), at obtaining more material and financial resources, at concealing reserves; but they do not know how to operate effectively with taxes, subsidies, interest rates, and prices (unless we count their striving to raise them). All managers and economic links in our republic and in the nation as a whole will have to master this art.

One of the basic issues in making the transition to khozraschet, including republic khozraschet, is to **secure commodity-monetary balance**.

As yet the growth of the money mass in our country is divorced from the production of goods society really needs and the prices on these goods do not reflect the socially necessary costs and the existing balance of supply and demand. The economy of scarcity and dictates of the distributor is preserved. This is a sinecure for

the bureaucratic apparatus, for profiteers, for corrupting elements. It is difficult to bring order to commodity-monetary relations: the interests of honest workers are also affected; pressure is exerted by existing structures of production and consumption or by the naive view about that everything will take care of itself at little or no cost. But these problems must be resolved (they cannot be passed on to the next generation), again with regard to economic and social realities and the existing balance of interests.

The question of the transition to convertible currency has already been raised in the republic press. It is extremely naive to assume that this problem can be resolved within our republic alone: a positive trade and payments balance in the world markets is required. But our potential is very modest (not only do we not have petrodollars, we have no petrorubles either). Such a movement is currently noted. But here too we must not fail to take into account the pressure of existing economic and social structures. If we carry out radical proposals (they have been advanced by some scientists), we would have to close down unprofitable enterprises (approximately 13-15 percent of the total number), carry out monetary reform, and raise the level of retail prices without sufficient compensation of the population in low-income brackets.

It is worth remembering that it took postwar Japan 20 years to arrive at a convertible yen. The strength of the yen in world currency markets is due to the stability and high competitiveness of the Japanese economy. Our country will hardly be able to make the transition to the convertible ruble in a shorter period of time without extraordinary economic and social costs. Appropriate proposals are already being formulated.

In conclusion, a word about interethnic [mezhnatsionalnyye] relations. Everyone who lives in the republic—native and non-native alike—must understand that republic khozraschet will not mean economic and social progress unless interethnic relations within the republic are consolidated on a humane, socialist basis. A characteristic feature of the time is the heightening of ethnic self-awareness. The republic's Russian-speaking population must thoroughly understand the concerns of the indigenous population, their striving to preserve and develop their ethnicity, their language and their culture, and their fear that they might become a national minority in their own land.

At the same time, the indigenous population must understand that migrants cannot tolerate being relegated to second-class status or and cannot be reconciled to injuries to their ethnic feelings or dignity. They cannot pay with their own fate or the fate of their children for mistakes committed in economic and social policy during the years of the “cult of personality” or “stagnation.” Tens of thousands of specialists and workers from other regions of the nation have made and will make their



worthy contribution to the economic and social development of the Estonian SSR and we can imagine the consequences if contacts between scientists and specialists of the republic and the nation as a whole disappear. Strong pressure to "oust" invariably engenders extremism on the one hand and means permanent economic and social cataclysm on the other.

It is sufficient to look at Lebanon and Ulster. In recent years, we too have become convinced that we are not insured against the destructive consequences of mistakes in ethnic policy and in fanning ethnic emotions. It is sufficient to cite the example of Nagornyy Karabakh and Sumgait. Instructive material was published in SOVETSKAYA ESTONIYA (6 January 1988). W. Clemens, an American professor, visited the editorial offices and was introduced to publications devoted to ethnic relations in the republic. He said that the problems had to be resolved but that it was necessary to "consider the lesson of Sri Lanka" where interethnic relations and the developing economy were normal until recently. Incidentally, the ethnic structure in this country is close to Estonia: the indigenous population (Sinhalesle)—two-thirds; migrants (primarily Tamils from southern India, the share of which has grown)—one-third. Migrants were brought in initially by the English to work the coffee, tea, and rubber plantations. Later, other demographic factors came into play—the arrival of relatives, differences in the birth rate, and differences in the natural increase in population. Certain groups in the indigenous population tried to "drive out" the migrants—the Tamils—and to infringe their rights. The response was Tamil extremism and terrorism coupled with the demand to dismember Sri Lanka and to establish a separate Tamil state on the island. As a result the Sri Lankan government had to call upon the same India to send troops that have not yet been to normalize the situation.

Instructive history. And even though pessimists say the teaching of history is that it teaches nothing, we have the firm belief in the possibility of eliminating tensions in interethnic relations on the basis of the community of basic interests and mutual understanding which also includes understanding of the problems confronting each ethnic group. That this is possible even within the framework of a bourgeois democracy is shown, for example, by the example of prosperous Switzerland. A socialist system, which excludes the very possibility of exploitation and the subjugation of some peoples by others, must ensure the still greater possibility of the harmonious development of interethnic relations. This is the meaning of one of the basic goals of perestroika—the demand for "more socialism."

But it is also clear that the normalization of interethnic relations will not come by itself. The balance of international and interethnic interest is attained only when the partners are ready to give something up, to make intelligent compromises. Emotions must not cloud reason. But it happens.

I believe in the efficacy of economic, and to a certain degree, administrative measures to regulate migration as long as they are sensible and are not offensive to human dignity (it must not be forgotten that our country as a member of the UN is a signatory to the Declaration of Human Rights).

I consider it extremely important that the scale of values of the Estonian people be partly modified in the interest of ethnic self-preservation.

After all, with regard to birth rate and natural increase in population, it occupies one of the last places in the country and yields, albeit not by very much, to the migrants in this area. It is clear what this trend will lead to even if no more new inhabitants arrive from other regions. There is also a field of activity here for the Estonian intelligentsia. But there is also need for effective material support for the young Estonian family. In the West this is resolved through the introduction of "payments" for the child and aid in the social sphere (state housing subsidies, services at reduced rates, etc.).

Returning to the situation that has developed in Estonia, I say that if the republic's total population understands the inadmissibility of turning Estonians into an ethnic minority in their own land, it will be possible to find civilized solutions promoting the development of the republic as a whole and of each ethnic group comprising it. This also applies to the language problem. In itself, monolingualism or bilingualism do not resolve interethnic or religious contradictions if they have gone too far.

Example: Lebanon or Ulster where the warring factions speak the same language. But it is clear that the right to one's native language is an integral element of civil rights. But under the conditions of our country and republic, bilingualism offers the possibility of realizing our rights and potential for development. In reality, it means a higher level of mastery of the native language and a practical knowledge of the other language that is the dominant language of a given republic. Whoever does not understand this (and unfortunately the Russian-speaking population has not sufficiently freed itself of "linguistic chauvinism" suffers a personal loss and makes life for his children more difficult.

And finally, concerning the idea of a "Popular Front in support of the perestroika policy." If the program and practical actions of the Popular Front are directed toward the implementation of the CPSU's perestroika strategy, if they promote the realization of important economic and social tasks by democratic methods, and if they unify all constructive forces regardless of ethnic origin, then I as a communist am for the Popular Front.

#### FOOTNOTE

1. KOMMUNIST, No 2, 1988, p 48

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## AGRO-ECONOMICS, POLICY

### Problems in Economic Transformation of Kirghiz SSR Gosagroprom

**Gosagroprom on a Cost Accounting Basis?**  
*18240083a Frunze SELSKOYE KHOZYAYSTVO  
KIRGIZII in Russian No 2 Feb 88 pp 9-11*

[Article by B. Talgarbekov, Candidate of Economic Sciences: "Gosagroprom on a Cost Accounting Basis?"]

[txt][Text] V.I. Lenin constantly directed attention to the need for strengthening the direct economic interest and responsibility of workers attached to organs of economic administration. All of the narkomaty [people's commissariats (1917-1946)] "wrote Vladimir Ilich, "plus the Moscow and Petrograd soviets are obligated, within a period of one week, to present a draft decree on the conversion of office workers (all those who are associated with the economy) over to bonuses from turnover and from profit and to strict penalties for unprofitability and sluggishness."

Today nobody can dispute the fact that the agro-industrial complex is developing slowly or that its effectiveness is low. The following fact is obvious: it has been brought to this status as a result of the existing system for administering the APK [agro-industrial complex]. Let us attempt to examine its mechanism.

We will begin with planning. Here the very logic of intelligent management is being disrupted and unsound planning decisions are being adopted. Thus two of the republic's departments—Gosplan, which has all of the functions of a planning center concentrated in its hands, and Gosagroprom [State Agro-industrial Committee] are beyond the orbit of economic relationships and are not materially responsible for the quality of their output. As a result, agriculture in Kirghizia has encountered a number of serious problems in recent years, problems such as the cotton and sugar beet diseases, a reduction in soil fertility owing to the extensive spread of swamp-like conditions, salinization, erosion of pastures, reduction in the meat and wool productivity of sheep and overproduction of tobacco. And here it is extremely important for us to understand that these problems are not the result of technological or other violations (although certainly some of these have also occurred), but rather they are the direct outcome of the existing system for planning. It is even more important to realize that the shortcomings in the planning system were conditioned not by failures on the part of specific workers at the planning center or by its leaders, but rather by imperfections in the very method for developing the plan, since its authors are unable to take into account, in an objective or timely manner, the changing circumstances of economic life. Thus, Gosagroprom (here and subsequently we have in mind the republic's Gosagroprom), while attempting to carry out the planned indicators, is still troubled by inefficiency.

The following picture appears on the surface. Gosagroprom is interested in lowered plans that are more easy to fulfill. Nor is it profitable for it to over-fulfill these plans to a considerable degree: in recent years, when planning "based upon that already achieved," failure has been inevitable. There is still one other substantial aspect. Using every available means, attempts have been made to free not only subunits of the APK (enterprises, rayons and branches) but also Gosagroprom itself from having to carry out tense tasks. Obviously, the latter is not making a show of this practice. The real managerial conditions are such that the true interests of administrators do not lie in the zones of material production, where the products quite properly are being created. Only one goal is being achieved: fulfillment of the plan, at any cost, by local elements. In such instances, they can climb the official ladder (there is no other path for growth and horizontal development is lacking). The higher the stage, the greater the material, moral and other blessings. Such a system prompts the Gosagroprom workers into impetuously imitating administrative work, with the benefits and wage system encouraging such simulation. Hence, bureaucratism, an ocean of unnecessary papers, inertia and a lack of enterprise are phenomena which are by no means accidental in administrative practice. They do not occur as a result of a low degree of conscientiousness, incompetence or other shortcomings by a particular specialist and we often make this point in various reports and newspaper articles.

In such instances, only a short-witted individual is capable of blaming Gosagroprom workers, since they are placed under conditions in which they simply have no interest in stable development or in obtaining profit. For example, Gosagroprom, in exercising its authority, could organize the thorough processing of wool or leather raw materials, of which there is an ample amount in the republic and which by no means is being utilized fully. However, the agroprom staff is not engaged in searching for or placing reserves in operation. Why is this? Because an economic mechanism has not been created which will stimulate earnings. This is precisely why the party and soviet organs and the press workers almost never achieve their goals when Gosagroprom specialists are called upon to be enterprising. Certainly, the various reserves can be pointed out to them once, twice or a dozen times and the degree of economic effectiveness of a particular measure can be determined. However, as yet and so long as the Gosagroprom workers are not interested (through the economic mechanism and not with the aid of appeals) in realizing the rapidly changing reserves for the purpose of obtaining profit, no progress will be achieved. Only then will the situation in agroprom improve for the better and change radically. A genuine search for sensible scientific developments is commencing. As yet, the production workers do not need high quality recommendations by scientists.

If we base our actions upon such methodological instructions, then it is completely obvious that the republic's Gosagroprom, created under the conditions of the

present administrative system, has not made any substantial contribution to the mechanism for APK functioning. The increase in output production over the past 2 years, in the face of increasing expenditures per unit of production, resulted not so much from the high effectiveness of the new organ for administering the APK but rather it derived from the favorable action of moral-political factors: the new restructuring, the new work enthusiasm, the raised labor and production discipline, the reduction in drunkenness in the working areas and others.

Having obtained their planned tasks from Gosplan and Gosagroprom and operating under deliberately low efficiency managerial conditions, the branch and territorial levels of the APK, at the very best, copy the administrative methods of the command center. Herein lies the key to understanding the many negative processes involved in developing the agricultural sector, which at first glance appear to be paradoxical. For example, up until a given moment the plan and output production increase in a parallel manner and thereafter production inexorably declines. This was the case with sugar beets and cotton. It also occurred in sheep raising.

Hence the conclusion: the goal of a functioning Gosagroprom must consist of utilizing the achievements of scientific-technical progress in a planned manner for the purpose of achieving stable and efficient development. In the process, deviations in the production volume from the plan are even tolerated for a period of time, towards a reduction for the purpose of maintaining stability. In the final analysis, this will make it possible to achieve the strategic goal in a favorable regime and in the absence of acute problems and over-production. Thus the new administrative system for the APK must be built according to the criteria: plan - stability - cost accounting income.

The relationship between the latter indicators is dialectical in nature, that is, it lies in their conflicting nature and in their unity. The conflict manifests itself in the fact that if concern is shown only for the plan, then stability is lost and less income is realized, since the plan will be fulfilled at any price. When striving to achieve only stability, the fulfillment of the plan and the planned volume of profit are threatened, since a large proportion of the funds is inevitably used for maintaining the vitality of the object. The thoughtless pursuit of profit is also not suitable, since the dictate of momentary profit in the future could develop into tremendous losses.

Unity lies in the fact that if the plan is of high quality, profitable and compatible with NTP [scientific-technical progress], then the object will obtain more cost accounting income and hence it will have more funds for the maintenance of stability. Once the object is developing in a stable manner, it will have favorable conditions for successfully fulfilling the plan and for obtaining stable and high cost accounting income.

The restructuring of the economic administration of the APK, in conformity with the decisions handed down during the June (1987) Plenum of the CPSU Central Committee, is being carried out today in the principal element of the agroprom—kolkhozes, sovkhozes and at industrial enterprises associated with them. Here the essence of the reform consists of overcoming the weak nature of the internal stimuli for self-development, dismantling the old mechanism which orients an enterprise towards low efficiency and expensive work and replacing it with a new one calculated to open up an expanse for enterprise and initiative. Now the enterprise prepares its own plan for the production and sale of products, while orienting itself towards the direct orders of state organizations, enterprises and based upon other contractual agreements. Such forms for economic relationships make it possible to strengthen the inter-branch relationships of partners in the APK, since a genuine opportunity is opening up for the kolkhozes and sovkhozes to exert an economic influence on the work of service and industrial enterprises, even to select them from the standpoint of suitability for agreements and to reject unreliable partners for business-like collaboration.

The reorganization of the functions of Gosplan and the shifting of the center of gravity of its work for determining the prospects for economic development is raising a need for ensuring that the state orders (plans) of the APK are developed directly by its administrative organs. For example, Gosagroprom is concentrating its efforts on composing scientifically sound orders for the principal food products—meat- dairy, fruit-vegetable products and others and for the output of all-union specialization—wool, tobacco, sugar beet seed and alfalfa. Moreover, the orders of Gosagroprom will be of priority importance and possess advantages in resource support. They should be profitable for the executive agents. In addition to these orders, complete special purpose programs must be developed for the solving of individual important problems, be it land reclamation or a reduction in manual labor in certain sectors and others. All of these are on an equal footing with state orders and when successfully realized produce cost accounting income for both the executive agents and the program customers.

However, as no doubt noted by the reader, the chief question continues to be open: what will force Gosagroprom to ensure the quality of a plan and to orient its subunits towards the successful realization of the principal goals? There is one answer. This will occur only when Gosagroprom, with its own resources, converts over to cost accounting (in the theory for administering the socialist economy, cost accounting for the center has been assigned the title of "economic accounting") and acts in behalf of society as the client. There will then be assurance that the plan will be of a high quality, realistic and flexible and responsive to a change in the social requirements for APK products. In short, a need exists for truly converting the administrative center over to economic accounting. Is this possible?

Let us examine two considerations. The first. In recent years, they have begun introducing the collective contract into operations in labor collectives. But in the course of development, the contract has entered into conflict with the incomplete cost accounting of an enterprise and has started to take on a formal nature. The Law Governing an Enterprise (association) eliminates this conflict to some degree by presenting independence to the enterprises and converting them over to self-financing. But complete harmony was still a good distance away. After a definite period of time, it would inevitably be revealed that complete cost accounting for enterprises would be ineffective if a command center was not included. Would it not be better to place all of the administrative echelons of the APK under identical conditions, convert over to cost accounting and in this manner realize fully the ownership relationship and assign all sectors to specific masters? The second consideration: if Gosagroprom is not included in the economic relationships, it will be impossible to ensure that its workers are truly interested in qualitative growth in agro-industrial production. Another path cannot be found in society, the basic principle of life of which is "to each according to his labor and from each according to his ability." If this is not done, only vain appeals will be made in the future for conscientiousness, zealousness and enterprise. Moreover, it is not done we will be unable to overcome the lack of desire on the part of agroprom leaders to master those complicated economic methods of administration which lead to considerable improvements in production. It should also be stated that a concentration of resources in Gosagroprom, which operates on the basis of economic accounting, will make it possible to utilize them in a purposeful manner for the purpose of achieving a high level of cost accounting income. In this manner, a vicious practice will be eliminated—financing of the APK by Gosplan and Minfin [Ministry of Finances], using their own resources and known methods, produced a situation in which the tremendous resources intended for improving agriculture were for all practical purposes immobilized in reinforced concrete palaces for livestock or used for drainage systems for irrigated lands that did not produce a noticeable return.

The next vitally important problem for agriculture—stability. Judge for yourself. If an enterprise operates on an unprofitable basis with catastrophic results, then in the final analysis it may be closed down. The procedure is an unpleasant one, but other sources for satisfying demand will always be found. And what if tremendous pasture areas are subjected to erosion or irrigated lands become swampy? The expenses borne in such instances cannot be replaced. The task of achieving stability in agro-industrial production, under the present system for administering the APK, will lead only to uncoordinated technological developments and measures (of which we have more than enough), which are producing only paltry results, since the campaign is being waged based upon the consequences and not upon the causes. With such an approach being employed, stability is being

disrupted first in one place and then in another, with no end being seen in this type of chain reaction. Thus it is only logical to look for a solution in the form of a new administrative system, one which is not based upon achieving particular or purely cosmetic improvements.

The first input for this mechanism for maintaining stability is that of achieving an ownership relationship in which land and other means of production are truly converted into the property of individual collectives. But this is only a condition. Not only the means of production but also the relationships between the producers, planners, administrators and consumers, expressed in economic form, must be individual in nature. The economic accounting of Gosagroprom and the complete cost accounting of enterprises and the democratization of personnel work (electivity, competitiveness) force the requirement for devoting thought not only to the plan but also to stability. In other words, interest appears both in current income and in stable development and in the future this will furnish still greater profit. Thus a chief concern is not to agitate for the abstract sense of being a master, but rather to make the individual owners of means of production true masters on a cost accounting basis.

Stability justifies itself in terms of subsequent successful fulfillment of the plan and the achievement of stable and high income. Indeed, ponder if you will why it is that a coach, of say a football team during a tournament (season), introduces promising players (in this instance, for the purpose of maintaining the team's stability) at the risk of losing the team's high standing? Yes, this is done because if today victory is won at any cost (relying only upon the veterans), tomorrow the team may find itself in last place. What forces a coach to display concern for the future? It is the need for achieving the final result not just for one year, but rather over an extended period. If this is not done, then the elective system for coaches rejects him as being a short-sighted strategist.

The second input. Only five-year plans must be stern and mandatory in nature, while annual plans leave an expanse both for maneuvering and for concern to be displayed for stability. A skeptic will ask: what if an enterprise displays concern for stability for too long a period? Then there is no point to standing on ceremony with him: under the conditions imposed by complete cost accounting, who can endure a parasite? And today's incomplete cost accounting is not overflowing with prosperity; the state first of all patches up the holes in the pockets of collectives which have fallen behind. Hence, in order to achieve optimum stability, the true economic essence of the concept of "economic income" must be replenished.

The ignoring, over a period of many years, of the commodity-money relationships in the economy, particularly in the republic's APK, has given rise to many acute problems. As a result, production efficiency has declined in a stable manner when increasing the production

volumes, as a result of excessive rates in the expenditures involved. Today the bias with regard to the law of value has for the most part been overcome. But it is one thing to simply agree and quite another to develop cost levers. And such serious economic work is unthinkable once again in the absence of completeness, that is, in the absence of a cost accounting administrative center.

What is the essence of a center's economic accounting? The well known soviet economist G. Popov singles out three of its principal components: 1) the center directs mainly on the basis of economic methods; 2) the need for providing the executive agent with profit forces the center to select those spheres of activity which are most important for the economy and to reject that which could be resolved within the framework of direct relationships; 3) the wages for the center's workers must depend upon the effectiveness of the programs selected by them.

In conformity with the administrative reform for the Kirghiz SSR APK, many of the factors enumerated will be realized with the exception of one: conversion of the administrative organ—Gosagroprom—over to cost accounting. Meanwhile, this is an important question in our opinion. I am aware that there can be objections: if the country's Gosagroprom does not convert over to economic accounting, then why must we be the first to do this? Allow me to state frankly that this is not an intelligent argument. At one time, success was achieved in organizing RAPO's [rayon agro-industrial associations] in Georgia and the Baltic republics without having to await instructions from on high.

Moreover, I stipulated that instructions are available! Read through the last party decisions. In particular, during a scientific-practical conference on the organizational-economic problems of APK development, which was held in the CPSU Central Committee in November 1987, it was stated: "It is becoming clear that not only rayon but also oblast, kray and republic organs must convert over to a cost accounting basis and make wages dependent upon the economic activity of an enterprise or APK association." Thus the issue here is more that of clumsiness and a lack of desire to develop large economic innovations, even though there is no doubt concerning the obvious effectiveness associated with the implementation of such large measures for APK development. As emphasized during the January (1987) Plenum of the CPSU Central Committee, it is time to stop brushing aside that which is not in keeping with the usual programs.

### Concluding Remarks of the Department of Economics

Today it is clear to all that restructuring of the administration of the agro-industrial complex is far from being completed. It must still be brought to a logical conclusion. It is believed that in this situation there is reason to listen to the opinion expressed by this scientist and to

devote some thought to his proposals. It is possible that B. Talgarbekov's concept requires further definition or that it raises objections among some individuals. There may be some who will disagree with the author's conclusions. But let us weigh all of the "pros" and "cons." We invite the readers to participate in this discussion and to express their opinions regarding the questions raised.

### Reader Responses

18240083a Frunze SELSKOYE KHOZYAYSTVO  
KIRGIZII in Russian No 4 Apr 88 p 22

[Reader responses to article by B. Talgarbekov: "Gosagroprom on a Cost Accounting Basis?"]

An article by Candidate of Economic Sciences B. Talgarbekov entitled "Gosagroprom on a Cost Accounting Basis?" was published in the February issue of the journal. Here we offer for the attention of the readers the initial responses to this

D. Dzhaïlov, senior scientific worker at the Institute of Economics of the Kirghiz SSR Academy of Sciences—In pointing out the failure to include the administrative organs of the republic's APK in the economic relationships and thus correctly explaining the objective reasons for the vitality of the administrative-command operational methods, it should not be forgotten that the agricultural scientists have not given their opinion concerning the methods for further developing the APK. In other words, if the administrative workers and scientists "present claims to one another in the future while standing on different shores, then in the final analysis the overall problem will suffer. How can this senseless confrontation be averted?" It makes sense to inventory all of the APK administrative organs with regard to the character and content of their activities, as B. Talgarbekov attempted to do.

A. Kasymkulov, senior agronomist at Kirgizgiprozem Institute—Experience has shown that the existing system for administering the APK is not in keeping with the requirements of the times and that it is not capable of achieving basic changes in agricultural production or of overcoming negative phenomena. One does not have to travel very far to find examples.

We are all aware that agricultural economics is entirely and completely dependent upon the ability to utilize land, including pastures, correctly. The latter constitute 86 percent of all agricultural land and yet they furnish only approximately 30-50 percent of the feed in the republic's overall feed balance. The reasons are well known: over the past 20 years, the productivity of the pastures has declined by more than twofold, their inedible plant content has increased and the irreversible nature of degradation has intensified still more.

A similar situation prevails in the case of irrigated arable lands. As a result of the absence of proper concern for the land, accelerated processes involving the salinization

and swamping of land and the removal of once fertile lands from agricultural use are being observed in all areas. A one-crop system prevails out on the republic's irrigated fields and this is having a fatal effect not only on output quality and quantity but also upon the health of the land. All of these facts serve to point out that we have nobody who is engaged in carrying out purposeful improvements in the agricultural lands.

Let us take the question of the use of scientific developments in production. There have been more than enough discussions on this subject. Unfortunately, no progress has been made in this regard. Here is one example. At the present time, the principal contractual work concerned with applying mineral fertilizers and treating weedy sectors of land with herbicides is being carried out by workers attached to the Selkhozkhimiya Association. How are they coping with the tasks assigned to them? They are carrying out this application and treatment work "by eye" and they are doing so in a slipshod manner so as to complete the work as rapidly as possible and obtain as much money as possible. As a result of this barbarian attitude towards the land, agriculture is being subjected to irreparable harm.

The fact that an olympic calm continues to prevail at all levels is viewed as being very strange. The republic's Gosagroprom is considered to be an exception in this regard.

This is precisely why I favor the conversion of Gosagroprom workers, and not just these workers but all administrative personnel, regardless of their rank, over to cost accounting. It is obvious that difficulties will be experienced during the initial period and yet it will become easier with the passage of time and normal operations will ensue. I have no doubt in this regard!

A. Makeyeva, Frunze—Today it is clear to all that the chief defect of the economic activities of the republic's APK is the lack of reporting by the agroprom's administrators, especially its upper echelon, to the direct producers of the products. They report only to those who assign them. And the true economic responsibility of the administrators, not to mention the material compensation for decisions adopted incorrectly, is specifically not being taken into account. Such policy is making it possible for many administrators who should have retired long ago, since they are no longer capable of correcting the situation, to remain afloat. During the years of stagnation, they maintained that they were making progress by taking giant strides, that definite

shortcomings existed and that they would eliminate them and that after a certain period of time there would be an abundance of goods. At the present time, they have changed their tone and their program remains as in the past: there are definite improvements and yet serious shortcomings still persist—restructuring is needed despite the fact that it will be incredibly difficult—eventually the problems will be worked out.

But for the most part, as emphasized by B. Talgarbekov, no substantial changes have taken place in real economic life, although the administrators are retaining their wages and easy-chairs. Some are even advancing upwards on the official ladder. And it is hoped that under these conditions there may be some serious improvements in the effectiveness of agro-industrial production. The thought expressed by B. Talgarbekov on converting the republic's Gosagroprom over to economic accounting, although unexpected, is absolutely in the spirit of the numerous and interesting articles published recently by our economists on the pages of newspapers and journals, in which questions concerned with the inevitable confrontation between economic and administrative methods were raised in a sharp and bold manner.

I wish the author persistence and diligence in perpetuating his idea until it is truly embodied in operational practice.

I. Ryskulbekov, Candidate of Economic Sciences—At first glance, the article by B. Talgarbekov appears to contain a paradox. The restraining role played by the administrative organs of the republic's APK truly appears to be beyond dispute and yet on the other hand its leaders are not guilty in this regard since they are merely carrying out their orders. And they receive many orders from on high by virtue of the administrative control system. Here then is the source of their guilt or, more exactly the misfortune that occurs. Hence the author has hardly hit his mark since his target was the critics of the bureaucratic work style of the Gosagroprom apparatus. It is believed that it is more important to study exactly what (or what processes) this apparatus accomplished, similar to a large non-economic staff, and to place the administrators in a cost accounting situation with appropriate responsibility.

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## POLICY, ORGANIZATION

### Quality Advantages Offered by State Acceptance Procedures

#### Problems in Housing Construction

81442819a Moscow STROITELNAYA GAZETA in  
Russian 24 Apr 88 p 2

[Article by M. Ziborov: "Housing With No Defects"]

[Text] It has already been reported in the newspaper that on one night during the early part of March a 9-story building collapsed in the city of Tselinograd. It fell to the ground owing to the fact that the builders had rudely violated the technology for work carried out under winter conditions. The damage caused by this mishap, according to the information furnished in an official report, amounted to 273,000 rubles. And what would the tragic consequences have been if it had occurred during the middle of the working day? Or if the building had only recently been taken over by new tenants?

It is not my intention to arouse passions over this incident. Permit me to state only that the services of state acceptance in Chardzhou and Sverdlovsk succeeded in averting two such accidents. In Turkmenia, its representatives demanded the dismantling of three and a half floors of brick laying in an apartment building for 20 apartments: the builders had forgotten to carry out the required earthquake-proof measures. And in the Urals region, two floors of a large-panel nine-story building were dismantled as a result of violations of the rules for production operations.

All of these incidents were of an extreme nature and yet the result was that no dangerous construction defects were turned over to the consumer. With regard to the situation as a whole, the residents of new buildings can now evaluate fully the advantages offered by state acceptance. Take, for example, the residents of Leningrad who settled into House No. 38 on Dunayskiy Prospekt, built by Housing Construction Combine No. 2. Here the builders left their calling card in each entrance and it provided information on who carried out the assembly work, who carried out the sanitary engineering and who completed the finishing work. And it also furnished the telephone numbers of the sector leaders who were to be contacted in the event of problems. But do not think that this was a fine gesture. A brigade of journalists from the local newspaper, together with state acceptance workers, made the rounds of those floors that were already occupied and discovered that there was not even one apartment requiring even minor repairs and not one complaint had been registered by a new occupant. I personally must admit that this was the first such report that I had received.

However, not everyone was pleased by the sharp changes brought about by state acceptance. And this applied in particular to those who were accustomed to measuring

life on the basis of "volume" categories. I recall how recently, during an extremely important meeting, the chief of Glavmosstroy [Main Administration for Housing and Civil Engineering Construction in Moscow City] P. Surov stated: "it is said that there are too many state acceptance workers at the Moscow projects."

One can conjecture as to exactly what the state acceptance workers did to so annoy the Moscow construction management. Indeed the Moscow workers (similar to those in Leningrad, Kiev, Sverdlovsk and others—10 cities in all) fulfilled their plan for the first quarter by means of projects which were located beyond the boundaries of the city. In other words, having failed to reach the state acceptance level, some of the buildings built in the city were "offset" by means of some erected in the suburbs. Such substitutions succeeded fully, since the change in geography did not bring about any change in the "volume" input.

Thus the Moscow leaders are heard grumbling over an "excessive" number of control personnel and yet only 380 controllers for a huge city with an annual work volume of 800 million rubles is hardly a luxury. Even after having reduced their number, we once again are confronted by discussions having to do with raising quality.

Still quite another attitude towards state acceptance is noted at the construction sites. For production workers, it is not so much a matter of a controller but rather an assistant and especially at those times when we are dealing with deliveries to builders of low quality materials and structures. Indeed the service of non-departmental control, which is in operation at supplier enterprises, can affect the quality of the products being produced in the departments. However, even here certain absurdities persist: in a majority of the cities in which the state acceptance of projects is in operation, it still has not been introduced at enterprises of the construction industry.

In particular, this matter was discussed during a recent board meeting of USSR Gosstroy dedicated to the problems concerned with improving the quality and work of state acceptance in construction. The chairman of the committee, Yu. Batalin, emphasized that this disparity should be eliminated as rapidly as possible and that all enterprises associated with the delivery of products to construction projects of cities where non-departmental control is in operation should be converted over to state acceptance. At the USSR Gosstroy board meeting, it was noted that a majority of the contractual organizations which are not included in the construction complex and also enterprises engaged in erecting housing using the economic method have turned out to be unprepared for the introduction of state acceptance of projects. This then explains the disruption in the plans for placing housing elements in operation during the first quarter in Tallinn, Petropavlovsk, Frunze and Leninabad.

What is hindering the erection of high quality homes and their being turned over to state acceptance? I will single out only the more typical causes, in addition to those which are directly associated with the culture of production and the observance of technological discipline. First of all, the territorial organs of USSR Gosstroi, the ministries and departments failed to provide the construction projects with rhythmic and timely deliveries of materials, products and equipment in keeping with the schedules required by the construction production technology. As a result, a number of projects could not be prepared in time for presentation for state acceptance.

Another cause—success was not achieved in fully repairing or replacing worn out equipment, metal forms or rigging at KPD [large panel plant for housing construction] plants. And this occurred for the most part owing to the fact that USSR Gosstroi did not carry out the assignment of the USSR Council of Ministers which called for the special purpose allocation to those enterprises of the construction industry which converted over to the state acceptance of products of 50,000 tons of sheet steel for the renovation of technological equipment, forms and rigging.

A third important aspect—a considerable lag in the engineering preparation of territories to undergo construction is delaying and at times disrupting the preparations for the state acceptance of housing and kindergartens. The installation of mainline, block and engineering networks and facilities and municipal roads is being carried out on a tardy basis—8-12 months after the establishment of blocks.

The operational results of state acceptance during the first quarter are at the present time being analyzed thoroughly in Gosstandart, in the republic gosstroy and in the executive committees of local soviets. Importance is now being attached to improving the work of the new service and particularly to bringing about radical improvements in the organization of construction production and in the technology for housing construction. Indeed, the plans for next year call for the state acceptance of projects to be introduced into operations in 20 cities throughout the country. Some good must be derived from the lessons of the first quarter.

#### **Estonian Housing Project Difficulties**

81442819a Moscow STROITELNAYA GAZETA in  
Russian 24 Apr 88 p 2

[Article by V. Dureyev, manager of the Tallinn State Acceptance Service: "Upon Initial Presentation"]

[Text] Some time ago our state acceptance representative, V. Nikonorov visited a construction site where the Primorskoye SMU [construction and installation administration] is erecting an apartment building. He inspected the building and in a fit of temper upbraided the bricklayers: "Have you quite forgotten how to work? You should see how well seams are being pointed not by

professional builders but rather by fitters, lathe hands and machine tool operators who are erecting their own building using the economic method."

I mentioned the address of the new construction project.

The bricklayers exchanged glances and burst out laughing. It turned out that they were the ones who had done this brickwork, but on a hired basis (the building is a cooperative one), during non-working hours and obviously for greater payments.

This fact aroused various thoughts and particularly concerning the notion that the SMU had tolerated poor work by professionals. How can this be prevented? In such instances, the bank insists on the use of economic sanctions. But we consider the best action to be that of forcing the guilty parties to correct the defective work during non-working hours and at their own expense. Such was the action taken in this particular instance.

It bears mentioning that similar action is presently being taken in the departments of the Tallinn Elamu Planning-Construction Association (formerly a DSK [house building combine]). And the result is readily apparent: the quality of structural elements has improved noticeably here. Upon the insistence of state acceptance representatives, many defects in the forms and cassettes have been corrected and a heating element in triple-layer wall elements has been replaced by a more effective one. Incidents involving the displacement of assembly loops in the products became more rare.

Nevertheless, it was too early to become complacent: the foremen and heads of departments were monitoring observance of the technology on an irregular basis and operational control was weak. The senior representative for state acceptance in the departments of a KPD [large-panel plant for housing construction] S. Morozov even had to ask the council of the labor collective to lower the coefficient of labor participation for two foremen in view of the fact that only rarely could the products from their sectors be accepted upon initial presentation.

In all probability, after having read these lines, a reader would express surprise: what work is there to be carried out by state acceptance leaders at a construction project? What is correct is correct. Quite often such a leader must perform in the role of a second foreman: the "first" is concerned with the handling of all types of organizational and supply problems, while our representative during this period monitors the situation to ensure that the workers are observing the technology, he implements input control over the quality of the materials and structures being received and at times he simply instructs an operator in how to carry out a particular operation correctly. Indeed, it must be confessed that at our construction sites we have forgotten how to utilize the technology correctly and how to carry out all operations in the prescribed manner.



However, we consider one of our priority tasks to be that of analyzing those causes of defective output that occur through no fault on the part of the workers. First place among these causes is occupied by an obsolete pool of forms. With the conversion of the republic Ministry [Ministry of Construction] over to the ESSR Gosstroy system, all of the agreements concerning centralized deliveries of rigging and non-standard equipment became invalid. Of the declared 300 tons of metal forms, the association succeeded in obtaining only 180. Moreover, the agreements calling for the centralized production of rigging and non-standard equipment are already effective and yet the Gosstroy plant only has one such profile. It is overloaded with orders. The enterprises of union subordination within the republic are satisfying less than one half of the requisitions of the construction industry.

The failure of the structures and products to meet the normative requirements is making it difficult to improve quality. Truly, state acceptance did not start properly in a number of cities: completed projects are being checked against the SNiP's [construction norms and regulations], while at many producer-plants we still do not have state acceptance for construction materials. And a majority of the products do not conform to the normative requirements.

Nevertheless, our chief "strategic goal" is that of teaching the builders to turn over the "keys" for buildings which have no defects. We are still having to exercise control over individual assembly operations. In all probability, the blunting of a sense of responsibility in the personnel can be explained by the fact that for a long period of time the rate of growth was viewed as being more important than quality. Now it becomes necessary to readjust the consciousness of both the executive agents and the leaders of construction production. And this is not a simple matter.

Nevertheless, progress is being noted in the area of human attitudes towards the quality of work. Here is an example. House painters attached to the brigade commanded by T. Gorbunova categorically refused to commence the finishing work required on the facilities of Apartment Building No. 12 in microregion No. 6 Lasnamyae before the walls had dried or the sanitary engineers and electricians had finished their work. The state acceptance leader of the Elamu Housing Association, Yu. Slatin decisively supported the finishing workers and demanded that the SMU leaders observe the technological sequence for carrying out the work. He further warned that the stage would not be accepted until the construction debris was gathered up and the project prepared for the finishing work as prescribed. All of this required a week's time. Unfortunately, no other work was available for Gorbunova's brigade at this time. It turned out that the experienced foremen had no work to perform. Thus it turned out that those who displayed high principles were deprived in a material sense.

"On the other hand, once a building has been supplied with water and heat, when there are no drafts and when the walls have dried, then work can be carried out in an entirely different atmosphere" stated the brigade leader, "Even losses in earnings are not too painful. We must once and for all have an end to violations of the rules of construction and we must operate under normal conditions."

State acceptance finally stated that the apartments in this building had been finished off in the manner prescribed. The project was accepted upon its initial presentation.

#### Control at the Fergana DSK

81442819a Moscow *STROITELNAYA GAZETA* in Russian 24 Apr 88 p 2

[Article by Sh. Zaynutdinov and A. Mironov, special correspondents, Fergana-Tashkent: "In Proper Order"]

[Text] Master I. Ten stated: "Any panel can be sent back to a DSK [house-building combine] if it fails to meet the GOST [state standard] requirements. But there is a loop-hole in the established state acceptance system—technical agreements."

He had in mind the fact that state acceptance at a DSK issues panels beyond the gates of a plant in accordance with such an agreement, but does not place its stamp on them. This can be done by another subunit of non-departmental control at a construction site provided the panels are good and conform to the normative requirements. And it can be done in this manner in the fullest sense and without working feverishly. Indeed, the framework must be assembled out of something.

Our discussion took place at a construction site on Khasanova Street in Fergana. Two apartment buildings have been under construction here since January. The construction of one of them—the old 1-464 series—had to be halted in the middle owing to the fact that the panels had to be finished off manually. The second one—a modern series—has almost been assembled. Here the stumbling block has been incomplete deliveries of the needed products. According to the leader of the brigade of assemblers, V. Kotranova, earlier the assembly of the framework required only one and a half months, but now the work is proceeding at a snail's pace. Accordingly, the earnings of the workers declined by a factor of 3-4 and the more skilled workers began leaving the construction project.

It was clear that an explanation for the causes of this situation had to be sought at the Fergana DSK. Different production operations—old and new—are accordingly producing structures for both old and new series of buildings. Old series housing units have been under construction for more than a quarter of a century. Over a period of six years, pleas have been emanating from Moscow asking that the life of these buildings be extended for one more year. In the meantime, the equipment itself, according to documents, was written off back in 1979. Yet panels which do not meet the requirements for state acceptance are still being produced. What was the republic's Ministry of Construction



thinking about when it selected the Fergana DSK as an object for state acceptance? How is it possible for the combine to be included among such objects?

We learned about the forthcoming introduction of non-departmental control at the DSK both suddenly and post-facto—from a joint order dated 17 October 1987 issued by the acting chief of the Uzbek Republic Administration of USSR Gosstandart M. Alimov and the minister of construction for Uzbekistan A. Manannikov. Nobody considered it necessary to consult in advance with the party of soviet leaders of the city or oblast.

The chief engineer of the Uzgradstroy Association failed to shed any light upon the situation. Eventually, the following became clear. The mentioned order by M. Alimov and A. Mannikov was concerned exclusively with apartment buildings of the new series which, it bears mentioning, constitute only 20 percent of the output being produced. It was hoped that the old series could be eliminated from the sphere of non-departmental control prior to the beginning of state acceptance. But towards this end, USSR Gosstroy would have to become acquainted with one fact: the equipment was worn out to an extreme and the rigging was by no means suitable. It appeared that the Ministry of Construction for Uzbekistan possessed an incorrect understanding: it maintained that we did not have in mind the entire combine, but only non-departmental control over one series of apartment dwellings.

Subsequently, such a step was actually taken: at the very end of last year, a letter was sent from the republic's Council of Ministers to USSR Gosstandart and Goskormarkhitektura of USSR Gosstroy. The essence of this letter was as follows: exclude the old series from state acceptance in order to avoid a complete failure. We will not cite the name of the party who signed the letter, the deputy chairman of the republic's Council of Ministers, since we are convinced that he was speaking for Minstroy [Ministry of Construction] of Uzbekistan and that it is Minstroy who is discrediting state acceptance in this manner. The embargo against the old series was not introduced as stated by V. Kretov.

It must not be assumed that Gosstandart and the republic's Minstroy were not aware of the actual status of affairs at the Fergana DSK. Indeed, arrangements were made there for preparing only the new series for non-departmental control. And at the DSK they were interested in a volume that would be sufficient for carrying out the production program.

But what about the new series and why did the structures being supplied to the construction sites not conform to the technological requirements for assembly? Was it not possible to increase sharply the production of items for this series?

The party and soviet leaders of the city and oblast, the chairman of the republic committee of the branch trade union E. Butayev, the state acceptance leaders at the

plant and the construction site V. Kubyshekin and V. Sulimov and the association's chief engineer V. Kretov all participated in a business-like discussion.

The latter ardently convinced all that Uzgradstroy had provided the DSK with the necessary assistance and in a timely manner. I was forced to agree and yet today solutions have still not been found for those problems which the collective was unable to cope with using its own resources. In passing, he admitted that Uzgradstroy does not have a clear understanding of what needs to be done in order to ensure that the homes of the new series conform to all of the GOST requirements. Thus they are presently searching for the same rolled metal needed for side rigging and forms.

With regard to the possibility of sharply increasing the production of new structures for the new series of homes, it is no secret in either Tashkent or Fergana that for the third year the DSK branch is numbered among the start-up projects. We inspected its facility and area of approximately 20,000 square meters. Here, in just one bay alone, they are producing sanitary engineering cabins and ventilation units and in two others there is not a living soul. Very little remains to be done: installing the engineering lines of communication, completing the technological equipment. But the leaders of the republic's Minstroy do not appear to be greatly disturbed over the fate of the enterprise.

It is believed that the Fergana DSK finds itself with state acceptance as a result of the administrative-bureaucratic, volitional operational style of the republic's Minstroy. Frankly speaking, it will not be easy to improve the present situation. Minstroy, the association and the DSK collective will be able to accomplish this only if the Uzbekistan Council of Ministers furnishes them with urgent and effective support.

#### Losses Caused by Defective Work—Facts and Figures

81442819a Moscow STROITELNAYA GAZETA in Russian 24 Apr 88 p 2

[Article: "Losses Caused by Defective Work—Facts and Figures

[Text] On the whole, the plan for placing housing units in operation where state acceptance is being employed has not been fulfilled: according to data supplied by Gosstandart, only 290 of 338 apartment buildings have been accepted and in terms of square meters this constitutes 88 percent of the program for the first quarter.

Over a period of 3 months, the organs of state acceptance halted construction on 71 occasions and imposed fines and penalties in the amount of 828,900 rubles on the contractors and clients.

The labor productivity in construction organizations and at enterprises where state acceptance is in operation declined by 10-15 percent. For the carrying out of planned operations in a low quality manner, state acceptance imposed fines and penalties amounting more than 9,000 rubles on planning institutes in Kiev and Leningrad.

### **Tsarist Russia Living Standards Compared to Present**

18280062a Moscow TRUD in Russian 7 May 88 p 2

[Article by M. Smirnov, scientific associate, USSR Gosplan NIEI (Scientific-Research Economics Institute): "Not Just Figures, Or: What The Voice of America Forgets About"]

[Text] (Comment by I. Gritsko, Kiev) On a Voice of America broadcast, I recently heard a conversation with a former associate of one of our institutes. He was accusing our official organs and press of concealing data about the standard of living of workers in tsarist Russia, and he asserted that they lived better before the revolution than at present. We have become accustomed to reading of the difficult position of the workers during pre-revolutionary Russia, but if one is to believe "the Voice", have we been deceived?

Moscow—In one of the Voice of America broadcasts, K. Simes, former associate of the All-Union Scientific-Research Institute of Soviet Law, actually attempted to advance the idea that the October Revolution did not improve the standard of living of our country's workers. As proof of his proposition, the author compares wage levels for 1913 and 1987, as well as the amount of consumer goods which could be bought for a "pre-revolutionary" ruble and for a ruble today.

I need to mention right now that it is impossible to assess the standard of living for any category of the population merely by wage levels or by the purchasing power of this or that currency. To intentionally fail to take other standard of living indices into account is to distort the real picture, and this is what Simes does. It is common knowledge that the purchasing power of the ruble has changed greatly in the past 75 years. This is the result of a great many monetary reforms which have been carried out in our country. In 1913 one ruble could buy several times more bread, meat, potatoes and other commodities than now. We have no argument with that.

But we cannot agree with the author's conclusions based on the notion that the average wage for a machine-building worker in 1913 were R486 per year and that the present wage, according to official Soviet data, is R2,400. The reason is that this is an obvious manipulation of the figures to the detriment of the truth. First of all, Simes "forgot" that at the beginning of this century, machine-building workers in Russia comprised the most highly-skilled and highly-paid segment of the industrial proletariat. And that they were the fewest in number. In 1913, there were 510,000 people employed in the machine-building and metal-working industries, which was about 14 percent of everyone employed in industry. According to the statistics, the average real earnings of workers for industry overall were R264 per annum, not R486—the figure cited by the author for the "convenience" of his comparison.

Nor can an honest debate about the standard of living fail to take into account the share of wages in the structure of a family's aggregate income. Thus, if wages accounted for over 90 percent of a family's aggregate income in 1913, in 1986 they accounted for only about 70 percent. Today the average wage of an industrial worker, including additional payments and benefits from public consumption funds comes to R3,714 per annum. The "lawyer and sociologist" K. Simes, as he was introduced by the Voice of America, did not want to use this figure. It was more to his advantage to use the figure R2,400.

Moreover, comparing the purchasing power of a 1913 ruble with that of a present-day ruble does not constitute objective proof. This comes by comparing the amount of the foodstuffs which can be acquired with these rubles. But such a comparison would refute Simes' conclusions. In fact, per annum meat and meat-product consumption was 29 kg per capita in 1913 against 62.4 kg in 1986 with, respectively, 154 and 333 kg of milk and dairy products, 48 and 268 eggs, 6.7 and 18.6 kg of fish and fish products, 8.1 and 44.0 kg of sugar, 114 and 107 kg of potatoes, 11 and 56 kg of fruit and 200 and 132 kg of bread and grain products.

It is evident from these figures that consumption of all food products (except potatoes and grain products) has not only increased during the years of Soviet power, but that the population's food-consumption structure has improved as well. And this is convincing proof that the standard of living of our people has risen substantially. Another matter, and we are speaking frankly and bluntly about this (and TRUD and other newspapers have written about this on more than one occasion), is that our consumption of individual products is still lower than accepted norms, and that there are shortages. This is a fact which we do not hide. We openly discuss problems related to the implementation of the Food Program.

One cannot talk about the standard of living without mentioning the changes in the structure of the population's expenditures. Thus, textile industry workers in the city on the Neva paid out 52.8 percent of a family's aggregate incomes for food in 1913, but only 28.9 percent in 1986. The same figure for those employed in weaving, clothing and footwear was 16.8 and 13 percent respectively, with 11.5 and 25.7 percent for social and cultural services. We can see that the consumption structure has changed toward increased outlays for services. This is a progressive trend.

Apparently, in attempting to appear objective, the author on the Voice of America admits that living conditions for workers in the USSR are presently better than they were prior to the revolution. But he ascribes all these changes to scientific and technical progress alone, while at the same time belittling the role of our social and political system which is designed to improve workers' lives. And he does so even though the facts persistently

attest to tremendous changes in the working and living conditions of our workers. The average length of the working day has been reduced from 9.9 hours in 1913 to 7.9 hours. The average length of a regularly-scheduled paid vacation today is 22 days. In 1913, no such leave was usually provided for. This, by the way, was also true for the paying of wages during temporary disabilities.

The Voice of America guest did not want to bring all these issues up, as well as many other things typical of the quality of our life. Such as the fact that a worker and the members of his family pay not a single kopeck for the opportunity to receive an education or for medical treatment to restore their health, and pay only a few percent of the family income for housing.

All these advantages and the guarantees of social protection provided for the working class by the Soviet powers cannot be cancelled out by the difficulties and complexities involved in solving the social problems which exist here, and which we discuss frankly and candidly. And the restructuring now under way in all areas of society is aimed at overcoming them.

The irritation at the changes now under way here show through K. Simes' "theoretical" contrivances. Having struck the pose of "John-who-forgets-his-kindred" he stubbornly refuses to admit the obvious facts which incontestably confirm the existence of the social rights and guarantees given to the working class by the October Revolution.

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## POLICY, ORGANIZATION

### Letter Suggests New Approach to Improve Quality of Goods

18270064 Moscow ARGUMENTY I FAKTY in Russian  
No 17, 23-29 Apr 88 p 7

[Letter to the Editor by V. Gryaznov: "Perhaps it is Better to Work and Not to Envy?"]

[Text] Often one happens to read or hear that in the United States and West European countries the standard of living for a considerable part of the population is higher than ours. We speak much about the wide assortment and high quality of goods in the West. The quality of Japanese goods is amazing. When we begin to speak about the quality of our goods and services, we do not spare epithets, but the contrary.

On the other hand, it does not require much common sense for us to say that correct things are simpler for all. Here learning or forcing ourselves to do this requires time! We want—and this is natural—to have an American or West European abundance of goods, and Japanese quality, but to work as before. But you know miracles do not happen in the world! How would it turn out, comrades, if we were to unite our Soviet authority with

American productive labor and Japanese industriousness, and add to this our peoples' talent? In my opinion, it would turn out quite well. Thus, perhaps, instead of talking about good it is "there" we may begin to work as if "there."

## HOUSING, PERSONAL SERVICES

### Plans for Providing Individual Moscow Apartments Detailed

18270052 Moscow MOSKOVSKAYA PRAVDA in Russian 25 Mar 88 pp 3-4

[Document: "Basic Statutes of the Draft of a Comprehensive Program To Provide, Before the Year 2000, Every Family in Moscow With an Individual Apartment"]

[Text] One of the main social tasks advanced by the 27th CPSU Congress is a solution to the housing problem.

During the years of socialist construction, over 155 million square meters of total apartment house area were constructed in Moscow, and at the same time a set of measures was provided on renovation of the housing system that has formed, on comprehensive public services and amenities and landscaping of central regions and on capital repair for apartment houses.

The average housing provision per person in Moscow has now reached 17.4 square meters of total area.

At the same time, the housing problem in Moscow remains critical.

Guided by the statutes of the CPSU Decree of 17 April 1986 "On the Basic Directions of Accelerating the Solution to the Housing Problem in the Country," commissioned by the Moscow City Committee of the CPSU and in accordance with the resolution of the ispolkom of the Moscow City Soviet of Worker's Deputies No 1092, of 14 May 1986, a draft was worked out for the Comprehensive Program on Solving the Housing Problem for the Period up to the Year 2000, which determined the control figures for the proportion of distribution of housing area for the basic goals, and also proposed a system of measures directed toward fulfilling the tasks set.

The program is based on the fact that the problem should be solved not only through new housing construction, but also through widescale renovation, updating and capital repair of existing apartment houses. At the same time, more efficient use should be ensured of both the newly created and existing available housing and improvement of the mechanism for its distribution and redistribution.

The main attention in the program is focused on problems of coordinating the number and demographic structure of the population with the structure of the new

housing construction, which should ensure optimal correlation of the number of apartments with the varying number of rooms and families of varying composition who need to have new housing area granted them.

The materials of the Concept of Economic and Social Development of Moscow to the Year 2000, the studies of the Institute of Economic Problems of Comprehensive Development of the National Economics of the City of Moscow, the Institute for the Master Plan of the City of Moscow, MoszhilNIiprojekt, the proposals of the Main Architectural-Planning Administration of the City of Moscow, Glavmoszhilupravleniye, Glavmosremont, the Main Administration of Capital Construction, the Administration of Registering and Distributing Housing Area and other organizations have formed the basis for working out this program.

#### Characteristics of the Basic Categories of Housing Conditions Needing Improvement

By now, a large number of Muscovites need an improvement in housing conditions.

About 880,000 persons are registered for improvement in housing conditions, with respect to place of work and place of residence, 200,000 persons live in dilapidated and low-value housing, 1,340,000 persons—in communal apartments and 250,000—in dormitories.

Every year from 150-180,000 persons are registered for improvement in housing conditions with respect to both place of work and place of residence.

The main reasons for registering citizens for improvement of housing conditions are:

An increase in family and corresponding reduction in the provision with housing area to the level of need because of the birth of a child (the city birth rate is 110-120,000 children a year), because of a marriage registration and the registration of one of the spouses to the area of another spouse (every year 80-90,000 marriages are registered, including 20-30,000 with foreign citizens). All this taken together constitutes about 50 percent of the total number of citizens registered yearly;

Achievement by those living in work dormitories of a ten-year period of residence in the city of Moscow, which gives them the right to register for improved housing conditions (10 percent). At this time there are in the city 1,126 worker dormitories for single persons, with a total area of 5.8 million square meters per 248,000 bed spaces, where 33,000 bed spaces are occupied by families. Some 122 dormitories are for families, with 44,300 persons living in them. In addition, foreign specialists yearly come to Moscow for work (2-3,000 persons), and young families are formed in the dormitories (5-6,000 families), and providing for them consumes a considerable amount of housing area;

Registration of citizens at rayispolkoms, because of their serious illness (10-15 percent);

Expanding the privileged bases when registering citizens for improved housing conditions (20-25 percent).

#### Characteristics of the Available Housing in Moscow and Its Technical State

The available housing in the city of Moscow consists of 151.7 million square meters of total area. Its average yearly increase was 3.3 million square meters in 1976-1980 and 2.77 million square meters in 1981-1986.

According to the criteria, the city's available housing is divided into five categories:

Available housing of rayispolkoms—98.5 million square meters (64.9%);

Available housing of departments—26.2 million square meters (17.3%);

Available housing of main administrations and administrations Mosgorispolkom—11.9 million square meters (7.8%)

Available housing of the ZhSK [housing construction cooperative]—14.6 million square meters (9.6%)

Available housing, located on personal property

Citizen's—0.6 million square meters (0.4%).

At the present time, 88.2 percent of the available housing in the city is in buildings constructed in the last 30 years.

Some 3.5 percent of the total available housing area is located in 1-4-story structures, 24.4%—in 5-story structures, 32.3%—in 6-, 8-9-story structures and 39.8% in structures with 10 and more stories.

Some 99.6% of the total available housing area is provided with central heating, 99.7% with water, 99.6%—with sewage systems, 69.9%—with gas, 30% with electric ranges, 98%—with baths and 89.4%—with hot water. Some 89.5% of the total available housing area is located in houses with all conveniences, 10.2%—in houses with limited conveniences (without hot water and bath), and 0.3%—in uncomfortable housing (without central heating, water and sewage system).

An analysis of the level of the technical state of the available housing in the city of Moscow (by percent of physical wear of the general area) showed that 70.3% of the available housing is up to 20% worn out (good condition). Some 24.2% is in satisfactory condition (41-60% worn) and 0.6% of the total area of the apartment houses is 61-80% worn, i.e., in dilapidated condition.

The dilapidated housing numbers 2,102 structures with a total area of 919,400 square meters. Low-value available housing (1-3-story houses) numbers 12,000 structures with a total area of 3,150,000 square meters.

Most of the apartment houses in the central part of Moscow within the limits of the Sadovoye Ring were built before 1917 and are very worn, with an inadequate level of appointments and amenities.

Of the 2,630 housing structures located inside the limits of the Sadovoye Ring, with a total area of over 5 million square meters, only 450 structures, with a total area of 1.5 million square meters, will not require renovative work in the next ten years.

The decrease in available housing in 1971-1985 was 14.3 million square meters of total area.

This included 7.3 million square meters through pulling down buildings because of dilapidation and renovation and 7 million square meters through converting housing into administrative and service facilities.

Forcing out available housing because of converting area for nonhousing purposes has an essential effect on the overall decrease in available housing. It is usually carried out in the central part of a city through using major, old-structure apartment houses for this purpose, which leads to an even greater concentration here of business places, with a simultaneous reduction in the available housing.

#### The Population of the City and the Structure of the Available Apartments

The solution to the housing problem specifies that each family be provided with an individual, well-appointed apartment.

When making the calculations involved in solving the housing problem in the city of Moscow, not only families, but individuals are to be counted. Therefore, in solving the problems of the apartment population, the concept of the "calculated unit," is introduced. It is characterized by the total of families and single persons.

The permanent population of the city (8,499,000 persons) consists of 3,210,000 estimated units (average size—2.65 persons), including 2,472,000 families (with the average family—3.15 persons), and 738,000 single persons.

Of the total number of families and single people, 78% are dispersed by family (in separate apartments) and 22% by room (in communal apartments).

In Moscow there are 2,901,000 apartments, including one-room—607,000 (20.9%), two-room—1,371,000 (47.2%), three-room—882,300 (28.4%) four-room—75,000 (2.6%) and five and more room—25,000 (0.9%).

Therefore, in the city of Moscow, there are 2,901,000 apartments for 3,210,000 families (counting single persons). The total shortage of apartments is 309,000. At the same time, as analysis shows, along with the direct shortage of apartments for family living, no qualitative correspondence of the existing types of apartments to the demographic structure that has formed is provided.

The housing construction structure planned for the 12th Five-Year Plan (by types of apartments) also fails to correspond to the demographic structure that has built up, and in the future can aggravate the unfavorable trend that has formed: at present, when available housing is distributed, the need for three- and more room apartments is not satisfied.

#### Categories of Citizens Subject to Provision With Housing in the Period up to the Year 2000

The following categories of those in need are subject to provision with available housing:

Those awaiting their turn at the rayispolkoms—550,000 persons, with 260,000 of them living in communal apartments;

Those awaiting their turn at enterprises—330,000 persons, with 174,000 of them living in communal apartments;

Those living in houses, subject to settling farther out for a number of reasons (tearing down because of dilapidation, capital repair with replanning, re-equipment for nonhousing purposes, renovation and public services and amenities) and not registered as being in need—250,000 persons, and of them 150,000 persons live in communal apartments;

Those living in communal apartments, but not considered in need—756,000 persons.

Total: 1,886,000 persons.

A special feature of calculating the need for available housing to solve the housing problem in the city of Moscow in the period up to the year 2000 is the need to take into consideration not only the presently formed level of provision for various groups of the population with available housing, but also all the changes that are taking place and will take place within the population of the city.

Special reasons for these changes are both natural factors and mechanical ones entailed in the migration of the population.

At the same time, it should be borne in mind that to solve the housing problem it is not enough merely to provide each family with an individual apartment by the year 2000 and achieve by this time an average city level

of provision with available housing, established by housing legislation (9-12 square meters), but to achieve this situation, so that practically every inhabitant of the city has at least 9 square meters of available housing. Only under this condition can there be a real possibility of offering each composite family, according to their wishes, when necessary, an individual apartment.

Therefore, all the calculations are made on the basis of separating the city population by groups, for provision with housing area (up to 5 square meters, from 5 to 7 square meters, from 7 to 9 square meters, from 9 to 12 square meters, from 12 to 15 square meters, and over 15 square meters) and with allowance made for all the changes that will take place in the composition of the city population during the period under consideration.

Here it is very important to take into consideration the increase in citizens needing improved housing conditions, which will take place as the result of a deterioration in their housing conditions because of the formation of new families, the birth of children, etc.

Naturally, this increase first of all affects the group of the population least provided with available housing (up to 9 square meters per person).

Even though at present practically all the city inhabitants who have housing area estimated at less than 5 square meters per resident are considered as awaiting their turn from the rayispolkoms, every year, on the average, about 50,000 persons will pass into this group of inhabitants, least provided with housing area. This figure includes roughly 20,000 persons because of the birth of children and 30,000 persons because of the formation of new families, as well as an increase in their composition resulting from reregistration in accordance with existing legislation.

As a result, during the period up to the year 2000 the increase in this group of the population will be about 650,000 persons.

The part of the city population that lives under conditions of provision with housing area of from 5 to 7 square meters per person is partially taken into consideration as those awaiting their turn, registered according to the work place (330,000 persons).

In all, according to selective investigations, the size of the population of this group is 1,080,000 persons. It is characteristic that its number was reduced from 1,973,000 persons in 1965 to this level.

Therefore, at the present time, over 700,000 persons provided with available housing in a range of from 5 to 7 square meters should additionally be considered in the calculations and be provided with available housing before the year 2000.

The inhabitants of the city provided with available housing presently constitute about 1.5 million persons. It is characteristic that the size of this group of the population was also reduced by 256,000 persons as compared with 1965.

Since, of the number in this group of the population, about 400,000 persons have already been considered as in need (living in communal apartments, and houses subject to settling farther out, registered for preferential treatment), in the period up to the year 2000 another 1,100,000 persons should be registered and provided with available housing.

Some 240,000 persons live in apartment houses which, in the period up to the year 2000, will pass into the category of those subject to settling farther out, with the need to renovate, modernize, tear down buildings because of dilapidation, etc.

Of this number of inhabitants, a considerable part (in the order of 120-140,000 persons) have been provided with available housing in the amount of not over 9 square meters and already counted in the abovenamed groups of the population. Therefore, there should be registration of another 100-120,000 persons who have available housing provision of not over 9 square meters per person.

About 80,000 persons, foreign specialists (counting the members of their families) should be counted.

Therefore, the entire increase in the number of city inhabitants during the period up to the year 2000 for whom it is necessary to provide housing area, so that during this period all city inhabitants will have at least 9 square meters per resident, is 2,650,000 persons.

In all, the total number of city inhabitants who should be provided with available housing, by the year 2000, within the limits of the established norm (9-12 square meters) is 4.5 million persons.

Calculation of the Need for Housing Space To Provide Individual Apartments for Citizens Living in Communal Apartments

One of the main components of the program is the task of providing individual apartments for all citizens living in communal apartments.

In all, for the estimated period, citizens of the indicated need category—1,390,000 persons—are to be provided for.

This number of inhabitants of the city of Moscow includes the following need categories:

Those awaiting their turn from rayispolkoms, living in communal apartments—260,000 persons;

Those awaiting their turn from enterprises, living in communal apartments—174,000 persons;

Those living in communal apartments of apartment houses subject to being resettled for various reasons (tearing down because of dilapidation, capital repair with replanning, etc.)—150,000 persons;

Those living in communal apartments, but considered as in need—756,000 persons.

Also taken into account is the increase of citizens in communal apartments for the period up to the year 2000—50,000 persons.

Providing the above enumerated categories of citizens with individual apartments is to be implemented by stages.

On the whole, the total number of citizens living in communal apartments by the end of the 12th Five-Year Plan will be reduced from 1,390,000 persons to 764,000 persons, and by the end of the 13th Five-Year Plan—to 54,000 persons.

Here, out of 563,000 citizens, registered as in need at present, by the beginning of 1991, 70% will be provided with individual apartments.

In developing the program, consideration is taken of the urgent need for priority provision with individual apartments for inhabitants in the central part of the city, where from 40 to 60% of the population live in communal apartments.

For this purpose, by 1990, in resettling just the communal apartments in the 12 rayons in the city of Moscow included in the central part of the city, it is planned to direct 5.7 million square meters of available housing, or more than 50% of that distributed for these purposes on the whole for the city. This ratio will also be maintained in the 13th Five-Year Plan.

This will make it possible to solve the problem of eliminating communal occupation of apartments, with the central rayons of the city being first in priority.

By the end of the 13th and beginning of the 14th five-year plans, this problem will be solved in these rayons.

#### Basic Stages of Solving the Housing Problem

The goal established in the program of providing, in the period up to the year 2000, each family with an individual, well-appointed apartment is planned for implementation by stages. To be taken into consideration here are, in the first place, the acuteness of the situation that has now formed in each of the specific directions of the

housing problem and, in the second place, the actual resources that are and will be at the city's disposal in the course of the period under consideration.

The consistent improvement in the housing conditions for the Moscow population will be implemented according to plan, in accordance with the following key directions:

Tearing down dilapidated and low-value housing;

Eliminating communal occupation;

Capital repair, renovation and modernization of the available housing, improving its operation and keeping it undamaged.

The problems requiring a solution in the period up to the year 2000, by degree of their priority, are distributed in the following sequence:

#### Up to 1992

Ensure, in general, the elimination of dilapidated housing, amounting 2,102 structures (919,400 square meters of general area);

Ensure the resettling of at least 30% of the citizens from apartment houses subject to renovation in the central part of the city;

Solve, in general, the problem of resettling young families living in dormitories for single persons into family dormitories, created on the basis of existing ones, and rooms outside the citizens' venue;

In order to reduce the level of communal occupation of apartments, provide with individual apartments 60-70% of the citizens living in communal apartments and having priority on the waiting list with the rayispolkoms and enterprises;

By 1992-1994, reduce the period for granting housing to citizens, registered for improvement in housing conditions, to 4-5 years;

#### Before 1995

Provide resettlement for at least 70% of the citizens from apartment houses subject to renovation in the central part of the city;

Provide for 75-80% of those on the waiting list of the rayispolkoms and enterprises, living in communal apartments (including those newly registered for 1988-1992);

Complete provision with individual apartments for work veterans living in Moscow for over 40 years in communal apartments;

Complete the resettling of citizens from communal multi-population apartments (5 rooms and more) to individual apartments;

Bring the average housing provision up to 18-19 square meters of total area per person.

1996-2000

By the end of the five-year plan complete the provision of each family with an individual, well-appointed apartment;

Implement the transfer of worker (family) dormitories to apartment occupation.

Bring the average provision up to 20 square meters of total area per person.

Calculation of the Need for Available Housing in the Period up to 1990

In this period directions will be toward: providing those waiting their turn at the rayispolkoms with 7,000,000 square meters of total area, which will make it possible to provide 410,000 persons with individual apartments;

Those waiting their turn from enterprises and organizations—5,170,000 square meters (300,000 persons);

Tearing down because of dilapidation—870,000 square meters (51,000 persons);

Releasing apartment houses because of capital repair with replanning—750,000 square meters (44,000 persons), including that because of renovation in the central part of the city—480,000 square meters (28,000 persons);

Through urban construction renovation and appointments and amenities—750,000 square meters (44,000 persons), including 200,000 square meters (12,000 persons) for the central part of the city;

Resettling from apartment houses subject to refitting for nonhousing purposes—200,000 square meters (12,000 persons), including 160,000 square meters (9,400 persons) for the central part of the city;

Citizens living in communal apartments through space in a housing-construction combine—1,000,000 square meters (60,000 persons);

Citizens living in communal apartments through combined releasing of rooms in communal apartments in accordance with Art. 46 of the RSFSR Housing Code—500,000 square meters (30,000 persons);

Young families living in communal apartments, taking part in the construction of the Youth Housing Complex—325,000 square meters (19,000 persons);

Citizens living in communal apartments through space distributed by enterprises and organizations—1,200,000 square meters (70,000 persons);

As a result, by the beginning of the 13th Five-Year Plan, the number of citizens due to be provided with individual apartments will be reduced from 4.5 million to 3.3 million persons.

Calculating the Need for Available Housing in the Period From 1991 to the Year 2000

In this period, 3,300,000 persons will be subject to provision with housing, including:

About 1,200,000 persons awaiting their turn at rayispolkoms, 770,000 persons—awaiting their turn from departments, 350,000 persons for resettling from houses subject to tearing down or renovation and 600,000 persons with less than 9 square meters per person.

To provide this amount of housing for the citizens will require 56.1 million square meters of total area, including:

38.0 million square meters in new housing construction and after capital repair;

18.0 million square meters from citizens' departures.

For these purposes an increase is planned in putting into operation, in the period 1991-2000, a total apartment house area of up to 3.8 million square meters yearly. Here the apartment layout of the new housing construction will be changed.

The choice of the most optimum variants in the composition of the apartments is made in consideration of the demographic processes in the city:

An increase in the number and proportion of 3- and 4-member families, as the result of the policy being carried out in the country of stimulating the birth rate;

Stabilization and then even a slight reduction in the proportion of families made up of one person (singles) because of the restriction in drawing workers and employees to Moscow under limit conditions, the tendency to consolidate families and retain stability in marriages and support of the process of merging related families.

By the end of the 12th Five-Year Plan, in consideration of the decrease, the expected number of apartments on 1 January 1991 will constitute 3,123,000, including:

One-room—667,000 (21.4% of the total number of apartments);

Two-room—1,477,000 (47.3%);



Three-room—872,000 (27.9%);

Four-room—86,000 (2.7%);

Five-room and with more than five rooms—21,000 (0.7%).

As can be seen from the comparison of data on the demographic structure of the population and types of apartments, by 1991 the disproportion between the number of families made up of three and more persons (about 1.8 million families) and the total number of 3-4-5-room apartments (about 1 million apartments) will remain.

As a result, by this time, families of three and more persons will constitute over 50% of the total number of families, and the relative proportion of multi-room apartments (with 3 and more rooms) will be in the order of 31%.

Therefore, beginning with the 13th Five-Year Plan., it is planned that apartment houses be constructed with new planning designs, with a view to providing, in the course of 1991-2000, an increase in the construction of apartments with 3, 4 and more rooms and that the number of them in the overall construction of apartments be brought up to 35-40%. In all, it is proposed that about 720-750,000 apartments be constructed before the year 2000. With a decrease in this period in the order of 130-150,000 apartments, their number on 1 January 2001 will be 3,390,000, which will make it possible to grant each family an individual apartment by the year 2000.

#### Development of a Housing Construction Base

To ensure the planned volumes of housing construction in the estimated period, measures must be carried out to develop the production capacities of building organizations and building industry enterprises.

Stipulated for these purposes is renovation and re-equipment of existing enterprises of Glavmosstroy and Glavmospromstroy material, as well as building new projects for the construction industry, which will make it possible to increase the volume of producing parts for apartment houses and substantially improve the structural-planning characteristics of apartments in consideration of the requirements of the demographic composition of the city's population.

Renovation and re-equipment is slated for the Vostryakov Reinforced Concrete Structure Plant of House Building combine No 3 of Glavmosstroy, and beginning in 1991 production will begin of a new series of apartment houses with the possibility of a flexible change in the composition of the apartments, bringing the planned capacity from 600 to 730,000 square meters of total area by 1995.

The use of this series in housing construction, because of the layout of the standard planning sections, will make it possible to provide the required layout of the apartments, satisfying the needs of families that have different numbers of members.

After the renovation of the Glavmosstroy Ochakov Reinforced Concrete Structure Plant of House Building Combine No 2, the production volume of apartment house structures will be increased from 330 to 380,000 square meters of total area by 1995.

According to the preliminary calculations of the Main Architectural Planning Administration, when preserving unchanged the structure of large-panel housing construction up to the year 2000, to satisfy the demand for apartments, 2.6 million square meters total area more must be produced than must be put into the production structure of the new base series. This production requires over 600 million additional rubles to be spent.

To solve this problem, it is specified that apartment houses with structural-planning decisions using a wide pitch of 6.6 meters be built. Apartments using a wide pitch can if necessary be easily transformed with a change in the number of rooms through rearranging the nonsupporting partitions, while preserving the ceilings and supporting walls, that is, they are promising for any change in the demography of the population in the future.

This will make it possible, in the first place, at the planning stage, to specify the necessary composition of apartments in accordance with the requisition of the Administration for Registration and Distribution of Housing Area.

In the second place, when these apartments are used, if necessary the interior layout can be changed in consideration of the changing needs of the families.

At the same time, a saving in housing area can be achieved when it is granted.

Slated to be created for these purposes on the basis of a number of housing construction combines of the Main Administrations for Building Materials (ZhBK-2 and ZhBK-21), with the construction of three additional shops, is House Building combine No 4 of Glavmosstroy for the production and construction of apartment houses of the new series with nonhousing ground floors 3.3 meters high, with their production volume reaching 790,000 square meters by 1995.

Along with the increase in the volumes of production and construction of apartment houses of the new series, obsolescent apartment houses and those not meeting modern urban development requirements for housing series, series P-68, P-30 and P-46, are slated to be taken out of production in this period.

To guarantee the housing construction program, there are plans to draw the ministry and the department into the construction of objects for cultural-everyday and social purposes, in order to release and concentrate the capacities of the construction organizations of the Moscow gorispolkom on solving the main problem—granting each family an individual apartment by the year 2000. Outlined for this purpose in 1988-1989 was the creation, on the basis of the union ministries (Ministry of Ural-Siberian Construction, Ministry of Southern Construction, Ministry of Northwest Construction and Ministry of Petroleum and Gas Construction), for work in the city of Moscow, of master contracting trusts with a yearly work volume of 35-50 million rubles, for which the Moscow gorispolkom needs land parcels to allocate the production bases set up by the construction organizations.

Specified in the 12th Five-Year Plan is an increase in the volumes of construction work carried out by the business method in order to more fully realize the favorable possibilities granted the enterprises and organizations with respect to using funds for production development, social-cultural measures and housing construction. Drawing the contracting organizations of the ministries and departments into construction of apartment houses and objects for social and cultural purposes will make it possible to release the capacities of the city's construction organizations and concentrate them on objects of primary importance for the development of the city of Moscow.

The construction of apartment houses, carried out by enterprises and organizations using the economic method, solves a number of problems:

Construction will lead to land parcels in the rayons where industrial enterprises are located, or on the territories adjacent to them, which ensures the proximity of the housing to the work place, creates the conditions for assigning personnel and contributes to reducing the transport flows and overload of surface transport, particularly at peak hours.

In addition, production capacities for housing and social-cultural construction are drawn into the city.

Apartment houses are constructed in the housing systems that have formed, allocated by concentration, the construction of which the city contracting-construction organizations reject as labor intensive.

In the years of the 11th Five-Year Plan, (292,000 square meters) and the two years of the 12th Five-Year Plan (1986—89,500 square meters, and 1987—103,600 square meters) in the city of Moscow, using the method of operation using the organization's own resources, 87 apartment houses with a total area of 485,000 square meters were constructed, which made it possible to improve the housing conditions for approximately 28,000 workers at industrial enterprises.

In 1988 there are plans to construct, using the method of operation using the organization's own resources, and put into operation 110,400 square meters of total area, which will be a substantial addition to the area erected by the contracting construction organizations of the Moscow gorispolkom.

Allocating the Housing Construction and Territorial Development of the City

The basis of the strategy for housing and other types of urban construction is the principle of its maximal location on the existing territories of the city, and particularly within the limits of the Moscow Ring Highway.

The territory of the city of Moscow with administrative-jurisdiction territories constitutes 105,800 hectares and includes Moscow in the city boundaries—99,400 hectares, including the land within the limits of the MKAD [Moscow Ring Highway]—87,700 hectares. With respect to its inner structure, the balance of the territories of Moscow with administrative-jurisdiction territories is characterized by the following indicators: 47,500 hectares—development territory, including 25,900 hectares—housing blocks and microrayons.

In the balance of the city land, a considerable portion is occupied by general-development territory—34,800 hectares. In addition, the territories under the jurisdiction of the Moscow gorispolkom include 14,000 hectares which are taken up as forest parks, water surfaces, etc.

Housing construction within the limits of the MKAD [Moscow Ring Highway], amounting to 22.3 million square meters of total area, is the maximum possible in this period. Of the total volume of construction within the limits of the MKAD:

Some 6.5 million square meters will be linked, with measures carried out for engineering preparation of the territory—an exit for the Lyublinskiy aeration fields, a scrap heap moved to Brateyevo and the main line of territory (Brateyevo) with a large amount of earth-moving work;

Some 2.2 million square meters are to be put into operation through tearing down low-value available housing;

Some 2.8 million square meters are to be provided through compacting the housing systems of the rayons that have formed;

About 1 million square meters of new construction are to be provided by the end of the period in question through tearing down five-story apartment houses series K-7 and P-32;

About 6.5 million square meters of general area are for free parcels within the limits of the existing housing microrayons;

Some 3.3 million square meters will come from taking production and other objects out of service.

On the territories of the city given over to Moscow administrative jurisdiction in 1983-1984, by the year 2000, about 23.2 million square meters of available housing area can be constructed. It is proposed that this includes full development of Butovo, Mitino, Kurino, Novokosino, Ukhtomskiy and Solntsevo rayons. The total housing construction on the territories of Zelenograd, Kryukov and the settlements under the jurisdiction of the Moscow gorispolkom will constitute 3 million square meters of total area. Therefore, on the existing territories of the city in the period up to the year 2000, it is possible to carry out housing construction in the order of 48.5 million square meters of total area, which is enough to implement the solution to the housing program. A necessary condition here is increased concentration of the housing system through improvement in the normative basis of urban-development planning. This will make it possible to increase the volume of available housing placement by the year 2000, within the limits of the MKAD, by 0.7 million square meters of total area and on the reserve territories—by 2 million square meters or on the whole by 2.7 million square meters.

A complete housing system should be provided with the construction of apartment houses. The planning and development of new housing blocks is to be implemented by start-up urban development complexes with the establishment of all types of services of the social infrastructure. For this purpose, there must be, beginning in 1991, a basic rejection of apartments located on the ground floors, so that this area can be used for cultural-everyday purposes, as well as administrative, storage and production facilities for housing-operational and repair-construction organizations. In the 13th Five-Year Plan the comprehensive housing system will reach 75-80%.

In rayons where the housing system has formed, there must be conversion from selective construction and capital repair of apartment houses to comprehensive planned renovation of the blocks, development of the service sphere and implementation of the measures necessary to improve the engineering equipment, public services and amenities and landscaping.

#### Measures To Fulfill the Housing Program

Fulfilling the task posed, to solve the housing problem before the year 2000 cannot be guaranteed unless all the available reserves and unused potentials are put into action.

The following are necessary in connection with this:

Accelerate the development of new standard plans for apartment houses based on a demographic analysis, with the layout of the apartments meeting the new applications for available apartments before the year 2000.

Develop a standard plan for an apartment house, the apartments in which can be easily converted with a change in the number of rooms, through a corresponding change in the interior partitions that does not affect the supporting structures of the building;

For more efficient use of land parcels, long undeveloped by ministries and departments, turn them over for allocation of housing and social-everyday construction in the city.

Renovate enterprises and, beginning in 1991, organize series production of structures and parts for apartment houses, in consideration of partial correction of the buildings erected by house building combines and a new basic series;

Expand the practice of constructing apartment houses and objects for social, cultural and everyday living purposes by enterprises and organizations of the ministry and the department. Increase the volumes of construction work performed by methods of operations using the organization's own resources, for the purpose of fuller realization of the favorable potentials afforded to enterprises and organizations for utilizing the funds for social development of the collectives.

Implement an increase in the capacities of the construction organizations and enterprises of the construction industry in the period up to the year 2000, based on ensuring the fulfillment of the housing construction program.

Beginning with the 13th Five-Year Plan, increase the volume of capital repair and renovation of apartment houses by up to 300,000 square meters a year, including those in the central section of the city.

Slated to improve the system of counting and distributing available housing and intensifying control over its assiduous use for the program's purposes are:

Careful analysis of earlier adopted decrees and resolutions by the directive bodies on constructing and allotting available housing, taking into account data on the number of those in need. Ascertaining the organizations and enterprises in accordance with which the indicated decrees were adopted under the influence of subjective factors and were not supported by the presence of those awaiting their turn who are in need of improved housing conditions, which leads to a violation of the principle of social justice.

Exchanging or introducing appropriate changes in earlier adopted decrees and orders on the construction and apportionment of housing area for the ministries, departments and their enterprises and organizations, both through state capital investments apportioned by the Moscow gorispolkom and through centralized capital investments of the ministries and departments, granted

by the Moscow gorispolkom in the order of a proportional participation, in connection with a change in the need to improve housing conditions and the lack of correspondence that has arisen with respect to the amount of area apportioned.

Specify the following procedure for distributing housing area and estimating for it with the enterprises and organizations with respect to their proportional participation in housing construction:

Establish the fact that, beginning in 1989, housing area for workers at enterprises and organizations of ministries and departments should be granted only on condition of transferring to the enterprises of the Moscow gorispolkom capital investments upon agreement of the work collectives, from the social development fund for housing construction, with 30% of it going toward development of municipal services and construction of objects in the service sphere.

When drawing up, with the ministries and departments, the proportional participation in housing construction, be strictly guided by the periods for turning it over to citizens who need improved housing conditions;

Establish the fact that, all conditions being equal, the ministries and departments and contracting organizations who participate in the citizens' housing systems in the city of Moscow have the advantage in transferring capital investments, in accordance with the procedure of proportional participation with the Moscow gorispolkom.

#### Leaving Available Housing in the Long-Term Period

The decrease in available housing for the period up to the year 2000 constitutes 6 million square meters of total area. Included in the total amount of decrease is:

Tearing down available housing because of building depreciation—1.8 million square meters;

Tearing down 5-story panel houses of series K-7, P-32, P-35—0.4-0.5 million square meters;

The decrease in available housing because of conversion for nonhousing purposes—0.75 million square meters.

In the period up to the year 2000 it is proposed that the amount of available housing proposed for nonhousing purposes be reduced. No more than 50,000 square meters a year are slated to be converted for nonhousing purposes (as against 150-200,000 square meters in 1981-1986).

It should be taken into consideration here that for 200 structures, with a total area of 429,000 square meters, the Moscow gorispolkom has already made a resolution to relocate them and convert them for nonhousing purposes. Almost half of these structures are included in

the program to modernize the center. Some 231,000 square meters of available housing are needed to resettle the 9000 persons living in these houses. It is planned to direct 244,000 square meters of total area in the present five-year plan for these purposes.

In general the decrease in low-value and dilapidated available housing will be concentrated within the limits of the MKAD and only 0.8 million square meters of the total area of this housing will be subject to decrease for the period discussed outside the limits of the Moscow Ring Highway. The decrease in the dilapidated housing presupposes tearing down apartment houses with over 60% wear and those that have become, because of this, fully unprofitable for further occupation.

#### Capital Repair and Ensuring the Preservation of Available Housing

The level of apartment house capital repair that has formed at present does not ensure complete elimination of wear of the existing available housing in accordance with the approved norms. The work volumes on capital repair of houses with replanning for family occupation are particularly low: 80-90,000 square meters of total area instead of the 200,000 square meters needed yearly. For this reason, the incomplete repair of housing is about 1% of the volume of existing available housing, or about 1.5 million square meters of total area.

Extremely important tasks in the sphere of capital repair of available housing in the period up to the year 2000 are: planned operation-preventive maintenance work to ensure the trouble-free work of engineering equipment and communications lines, ensuring the comprehensive performance of work on planned-preventive maintenance repair of apartment houses; elimination of communal apartments, renovation of apartment houses with replanning of housing facilities for family occupation; a transition from selected capital repair and construction of individual buildings for comprehensive planned renovation of blocks and housing rayons; setting up young people's housing complexes on the basis of renovating and capital repair of the existing available housing; ensuring modernization of apartment houses on the basis of setting up types of engineering equipment that are lacking and improving the interior layout for the apartments, as well as work on public services and amenities for the adjacent territories.

In consideration of the increase in volume of available housing and ensuring the planned operational cycle for routine repair once every five years, in order to ensure the state of preservation of the available housing, expenditures for routine repair in the period 1991-2000 will be 3,600 million rubles (or 1% of the balance cost of the available housing yearly).

The volumes of capital repair for apartment houses in the city of Moscow during the period up to the year 2000 will be 106.1 million square meters of total area, including comprehensive capital repair—3.2 million square meters, of which repair with replanning of the apartments for family occupation will constitute 2.6 million square meters. Forming MZhK on the basis of apartment house modernization will make it possible to repair 1.3 million square meters of area.

In the 13th Five-Year Plan the volumes for MZhK must be brought to 350-400,000 square meters, and for complete capital repair, to 250,000 square meters a year, with further actual yearly growth. By the end of the year 2000 up to 300,000 square meters of total area will be renovated. The need for area to resettle citizens from houses undergoing capital repair should take into consideration a two-year repair cycle for the houses and repeated use of the migrant fund.

When capital repair is performed, the individual types of repair must be balanced. Through reducing the cost of planned-preventive maintenance repair (reducing the volumes of expensive materials used in repair, ensuring its completeness, reducing the periods of repair, drawing on the forces and means of the population, etc.), the relative proportion of the funds directed toward capital repair with replanning of apartments for family occupation will be raised.

In the period up to the year 2000, work on planned-preventive maintenance repair of all apartment houses is to be carried out once every 15 years. It is specified that by 1993 available departmental housing be assumed on the balance sheet of the local soviets, which will make possible a substantial reduction in inefficient expenditures to maintain apartment houses, raise the standard and quality of service and reduce the specific number of workers per 1000 square meters of available housing from 1.3 persons in 1986 to 1.1 persons by the year 2000.

Volumes of granting paid housing services to the population will be substantially increased. The volumes of apartment repair by means of the population will increase by a factor of 2-3. Planned-preventive capital repair will be implemented by means of the repair-construction organizations of Glavmoszhilupravleniye. There should be further development of specialized production associations, both existing and future scientific-technical centers (for repair of roofs, mechanized clearing of the land between the apartment houses, repair of facades, etc.).

The production base of the housing facilities will be developed toward creating several large bases in the city with a rayon network of affiliates and increasing the product list of machines, devices, instruments, spare parts and other goods produced by the plants in the

sector. To ensure the total volume of work on renovation and modernization of the available housing, Glavmosremont production capacities should be increased by a factor of 2-3.

Realizing the goals set in the estimated period requires an improvement in the system of planning capital repair of the available housing, improving methods of diagnosing the technical condition of apartment houses on the basis of instrument methods of monitoring and investigation, raising the social-economic efficiency of the available housing, optimizing the structure of capital investments for new housing construction, renovating and modernizing housing and creating a unified planning-construction and housing-repair complex, coordinated by the overall organizational-economic mechanism of economic activity and oriented toward the common end result of housing reproduction.

In order to raise the level of maintenance of the available housing, a further improvement is specified in work with the population to increase its responsibility for the state of preservation of the available housing and public services and amenities for the courtyard territories.

#### Renovating and Building Up the Central Part of Moscow Within the Sadovoye Ring

In the period up to the year 2000, maximal preservation of the historic build-up of the center of the city is planned.

The existing available housing within the limits of the Sadovoye Ring constitutes about 2000 structures, which corresponds to 5.0 million square meters of total area. Of them, those requiring major renovation, with a change in roofing before the year 2000, take up 2.2 million square meters of total area; new housing construction along with renovation—about 350,000 square meters.

The total volume of comprehensive renovation of the available housing (with new construction), allowing for the elimination of communal occupation in the period up to the year 2000, is 2.5 million square meters, including for the five-year plans: in the 12th Five-Year Plan—320,000 square meters; in the 13th Five-Year Plan—900,000 square meters; in the 14th Five-Year Plan—1,260,000 square meters.

The comprehensive renovation of the available housing will be carried out not only through the organizations of the Moscow gorispolkom, but also through the ministries and departments.

For nonhousing purposes, up to the year 2000, it is specified that there be re-equipment (if it is impossible to organize housing functions) of housing structures with a total area of 500,000 square meters, with the following

breakdown by five-year plans: 12th Five-Year Plan—200,000 square meters; 13th Five-Year Plan—150,000 square meters; 14th Five-Year Plan—150,000 square meters.

About 300 low-value housing structures, not suitable for further operation, are slated to be torn down. This constitutes 300,000 square meters of total area, with about 15,000 occupants.

The total resettling of citizens will constitute about 125,000 persons, including those from houses proposed for re-equipment for nonhousing purposes—about 20,000 persons. In addition, resettling from key apartment houses subject to major renovation constitutes about 92,000 persons.

Renovation of the central part of the city of Moscow will be carried out with maximal preservation of the housing functions, with an individual approach to planning and constructing new buildings and structures, establishment of and adherence to the zones of urban-construction regulation, determining the degree of permissible inclusion of new urban-construction elements into the historic milieu of the center of Moscow.

Comprehensive Renovation of the Housing Rayons of the City of Moscow Constructed as Five-Story Apartment Houses of the First Period of Industrial House Building

At the present time, in Moscow, within the limits of the MKAD there are 10,860 five-story housing structures with a total area of 36.1 million square meters, of which about 20.5 million square meters fall to fully prefabricated apartment houses of the first period of mass industrial housebuilding and require modernization and renovation in order to eliminate obsolescence and bring the sanitation-hygiene and technical specifications into line with modern requirements.

Variety in structural and architectural planning designs presupposed their varied technical status and measures required to eliminate existing defects and shortcomings.

With respect to structural and planning characteristics, as well as in consideration of their actual technical status, five-story apartment houses will be divided into three groups:

Houses of series K-7, P-32, P-35, 1-335, subject to tearing down, i.e., their repair is inexpedient;

Houses of series 1-510, 1-511, 1-515, etc., subject to capital repair with replanning, building in elevators and rubbish chutes;

Houses of series 1605-AM, 1MG-300, 1-515, 1-511, subject to renovation with replanning and a superstructure of 2-5 stories.

Renovation work on five-story buildings will be performed in the following directions:

Improving the planned structure of the apartment, functional zoning of facilities, increasing the area of the kitchen, entrances, toilets and bath rooms;

Expanding the layout of the apartments in accordance with demographic forecasts;

Equipping the buildings with elevators and rubbish chutes, putting on heated attic roofs, and improving the thermal- and sound insulating properties of the enclosing structures and inner walls.

Considering the acute housing shortage in the city, the considerable number of persons awaiting their turn and the families living in communal apartments and the quite considerable level of apartment occupation in five-story apartment houses, in the period up to the year 2000 it is stipulated that renovation and tearing down of these categories of houses be limited in volume.

It is proposed that tearing down homes with the largest percentage of wear and in sections yielding a considerable urban development effect be implemented before the year 2000.

In the 12th and 13th five-year plans there is to be a widescale experiment for the purpose of working out methods of implementing renovation measures. In the period 1989-2000, it is proposed that, because of tearing down 0.4-0.5 million square meters of total area of 5-story panel houses, there be an additional introduction of available housing amounting to 0.8 million square meters, and through renovation of 0.8 million square meters—0.2 million square meters of total area. The total additional volume of putting new area into operation after the reconstruction measures have been carried out constitutes 1 million square meters of total area.

This will make possible a planned housing construction volume of 48-48.5 million square meters of total area to allocate on existing territories of the city.

The problem posed must be solved through comprehensive renovation of apartment blocks and microrayons, which provides a more substantial urban development effect and satisfies the need to improve the conditions and comfort of the occupants.

In order to ensure the program outlined for comprehensive renovation and capital repair of 5-story apartment houses we must:

Develop a methodology and investigate the available housing with a view to ascertaining the factors determining the prospect for their use;

Develop proposals for the amounts of contracting work performed by the forces of Glavmosstroy and Glavmosremont, as well as the construction organizations of the ministries and departments in the 12th and 13th five-year plans;

According to the results of the investigation, compile a technical-economic estimate and master plan for renovation of the city's industrial 5-story developed section, specifying: the sequence of renovation of the rayons, the comprehensive nature of the development, provision with systems of engineering equipment and determination of the volumes of capital investments, funds and capacities of the construction organizations;

To ensure experimental construction in the 12th and 13th five-year plans, devise projects for detailed planning, projects for development and individual projects for renovation of apartment houses;

Develop proposals to organize work on capital repair and modernization of 5-story houses, as well as on the technology of dismantling houses of series K-7 and P-32;

Develop proposals to utilize the building structures of dismantled buildings of these series.

Improving the Practical Work of Planning, Calculating and Distributing Available Housing

It is specified that in the estimated period, a number of measures be implemented, directed toward eliminating the shortcomings in this matter, which had and continue to have an adverse effect on solving the city's housing problem. The actual mechanism of managing the distribution of the available housing until recently was consolidated only with its transfer to the appropriate organizations. Its distribution by sectors, ministries and departments was not properly monitored. The work done was not evaluated according to the results achieved.

The present program will be carried out by radical transformations in the actual system of monitoring the process of distributing available housing, and above all by improving the methods of planning and intensifying supervision of the economical and profitable use of available housing for the program purposes, both in new housing structures and in the existing available housing.

For these purposes, it is stipulated that the long-term nature of the planning, oriented toward the end results, based on the estimated proportions established in the program, the principle of priority and directing available housing toward solving the social problems of greatest importance for the life of the city must be safeguarded. Along with this, the principles of need, priority in turn and social justice should be fully ensured in planning.

The plans for the area will indicate both the volumes of area apportioned and the purposes and final results which should be achieved in this case.

The proportions and normatives established by the program should form the basis of the long-range plans for distribution of available housing up to the year 2000, which should be developed by each rayispolkom, ministry (sector), enterprise, institution and main administration or administration of the Moscow gorispolkom.

The compilation of these plans should ensure a differentiated approach that takes into consideration the actual situation that has formed with the needs, periods for granting available housing to those awaiting their turn, structure, specific nature of the available housing, existence on its territory of dilapidated housing, buildings slated for capital repair with replanning, etc.

This development of programs and long-range plans, both by sectors and by rayons, requires the ministries and the departments, the main administrations and administrations and the sectorial trade union gorkoms to address the housing problem in a centralized, topical and specific manner.

The problems posed will be solved and the end goals will be achieved if the proportions established by the Program are adhered to for each of the indicated directions.

In the estimated period, a full transition is to be made to the method of quarterly planning of the distribution of housing, with indication in the plans of the addresses and periods for turning over apartment houses, calculated so that the housing construction planning is closely coordinated with the changes in the demographic structure of the city population.

It is proposed that a transition be made to compiling the plans for distribution of available housing over a period of two years. This will create additional possibilities of maneuvering resources, since in the course of two years there will be considerable expansion of the potential for including in the plan a greater number of enterprises and organizations, more fully taking into consideration the geography of locating the new housing construction and better correlating the available housing resources to achieve the final social results.

Legal Ensurance of the Stage Solution of the Housing Problem

Realization of the above stated tasks can be guaranteed under the conditions of a consistent change in the norms for stating it, taking into account the various categories of those in need.

In this connection, it is planned to introduce changes into the existing norms and regulations for estimating and distributing available housing in accordance with the problems solved at each stage.

The following are specifically planned:

Beginning in 1988, register, as persons in need of improved housing conditions, citizens living in communal apartments, regardless of the area occupied by them, including:

Work veterans who have lived in Moscow for over 40 years;

Personnel who have worked for a single enterprise for over 25 years;

Occupants in communal apartments;

In 1992-1993, take into consideration all citizens living in communal apartments, regardless of the area occupied;

In 1995, establish the norm for taking into consideration citizens needing improved housing conditions, according to the place of residence, up to 7 square meters of available housing.

A real need has arisen to introduce certain additions and changes into the Regulations, directed toward:

Increasing the responsibility of the Administration of Registration and Distribution of Available Housing, of the Moscow gorispolkom and rayispolkoms and intensifying their monitoring of the distribution of available housing. When the planned area is not used for the planned purposes, in violation of the established regulations, the administration has the right to correct the plan for allotting the area in the direction of a reduction;

Strict adherence to the principle of glasnost in the distribution of available housing, including broader enlistment of trade union organizations in monitoring housing distribution.

Increasing the role of work collectives in distributing available housing as a means of incentive toward the efficient labor of the workers will be ensured by introducing into the Regulations the following changes in the procedure for distribution of area: all the working citizens registered on the books, either at the place of residence or the work place, are provided with housing area through the resources of the enterprise, as a rule, according to the work place.

Families made up only of pensioners or invalids, students, and servicemen, transferred to the reserve and subject to housing provision, as well as those temporarily not working for valid reasons, are provided with available housing directly by the rayispolkoms.

Closing off the channels of a wasteful attitude toward housing area, both at newly constructed buildings and in existing available housing, will be ensured through introducing a series of restrictions directed toward preventing

the occurrence of excess housing area among citizens, unjustified assignment of housing area through reregistration or registration of fictitious marriages and divorces, more clear-cut regimentation and regulation of the exchange process, interchange of housing area among citizens and, at the same time, cooperation for citizens in exchanging housing area for the purpose of eliminating these surpluses.

In order to establish order into occupation of the housing area freed through being vacated by citizens, and subject to repeated occupation, these accommodations should be occupied within a period of not over 60 days from the moment they are released (writing the former apartment tenants off the list), with repairs being made through the resources of the outgoing citizens and the efforts of the incoming citizens, or the organizations where they work.

If in the course of 30 days from the moment of issuing the order, the person who has received the order has not moved into the housing facilities granted, along with members of the family, and has not turned over the order for the residence permit, the rayispolkom on the territory where the housing facilities are located is obliged to turn the matter over to the court to declare the order invalid.

In maintaining the general norm of registering citizens in need for 5-7 square meters, more widescale use is to be made of the method of differentiated approach to determining the registration norms for a number of categories of citizens, including labor veterans living in communal apartments, etc.

The periods for occupying areas in newly constructed buildings and using sanctions in case of its prolonged non-occupancy should be more strictly regulated.

**Additional Measures To Draw in Reserves To Carry Out the Housing Program**

Successful fulfillment of the program and a solution to the problems posed in it require that all available reserves be brought into action. This requires the developing and working out of an improved mechanism of recording, monitoring and managing the use of the housing area.

The most significant source of additional resources of housing area to carry out the program is housing area resulting from the departure of citizens. At present, only 40-50% of the area available because of departure goes for the planned purposes. In the city a consistently large amount of housing stemming from departure remains unoccupied. One of the main reasons for the prolonged non-occupancy of housing area freed by departure is its lack of prompt repair.

In order to carry out the housing program, the area after departure, just as the area in newly constructed houses, should be centrally recorded, planned and distributed.



In the period under consideration, a system is to be introduced to ascertain and record the vacated area and its subsequent use, through simultaneous distribution of the area of the specific organization that has been admitted in the newly constructed houses and the area released as the result of this. The area after departure, subjected to repeated occupation and not occupied by its owners for two months from the moment of its release, goes to the disposal of the Administration for Registration and Distribution of Housing Area of the Moscow gorispolkom and is directed for planning purposes, to use at its own discretion.

As can be seen from the calculations, 60-65% of all the area distributed yearly, or 3.0-3.3 million square meters, should fall to those awaiting their turn and registered, or 700-800,000 square meters more than at the present time. This increase can be ensured through a corresponding curtailment in the expenditure of housing area for other purposes, including:

Some 450-500,000 additional square meters (including 340-400,000 square meters for the ZhSK) are slated to be directed yearly to provide those awaiting their turn, through corresponding curtailment of area expended to improve the housing conditions of citizens not included in the categories of those in need;

Some 100,000 square meters, will be obtained through reducing the turnover of apartment houses for purposes other than housing. Low-value available housing will be turned over to organizations of the ministries and departments for service purposes only when there is an obligation on their part to repair, by their own efforts, houses equal in area, to return to the composition of the city's available housing;

The expenditure of housing area to organize dormitories in newly constructed houses will be reduced by 50-60,000 square meters, through ceasing to draw in foreign workers. More efficient use of the area in the dormitories themselves is specified. At present, out of the 250,000 bed-spaces, almost 22,000 are unoccupied. Consequently, simply through appropriate centralized redistribution of bed-spaces in the dormitories, about 8000 rooms can be freed and used as family dormitories, cutting in half the need for additional allotting of rooms to resettle families living in dormitories for single persons;

With the participation of the City Bureau of Exchange and the rayispolkoms, yearly, through releasing partially occupied apartments, as well as by realizing, through exchange, surplus housing area held by citizens, it is planned that an additional 40-50,000 square meters of area be directed toward the planned purposes;

Some 50-60,000 square meters additional housing area will be introduced, after capital repair and replanning, into houses earlier resettled for these purposes.

All this taken together will also make it possible to draw additional resources for housing area into the solution of the main goals of the program. The above enumerated measures, directed toward improving planning, accounting, distribution of housing area and its efficient use, are a necessary condition for successful fulfillment of the program devised.

Along with this, it is also specified that measures be carried out to improve the structure of the Administration and departments for Registration and Distribution of Housing Area and convert them to cost accounting and wide use of automated control systems and to create a unified data bank on the population, its movement, demographic structure, provision of city dwellers with available housing, their employment, movement of available housing and its use.

#### Expenditures Necessary To Carry Out the Program

Solving the problem of providing practically every family with an individual, well-appointed apartment in Moscow in the period up to the year 2000 requires allocating capital investments totaling 11 billion rubles directly to housing construction.

The introduction of this amount of housing entails simultaneous or outstripping construction of a number of objects for engineering equipment and transport and construction of objects for cultural-everyday services within the structure of the urban development complexes. There must also be an increase in capacity of the municipal construction organizations, and considerable volumes of construction and installation work must be assigned to specialized organizations of the ministries and departments located on Moscow territory.

Because of this, the total sum of capital investments necessary for development of the city economy in the period up to the year 2000 will constitute 44-48 billion rubles.

## LABOR

### Losses Due to Labor Diversions Noted *18280066 Moscow IZVESTIYA in Russian* *21 May 88p 1*

[Article by Yu. Rytov: "Gone to the Base"]

[Text] USSR Goskomstat prepared a report on so-called patronly aid and other diversions of workers from their basic activity and costs associated therewith. The report noted that in 1987 diversions of workers from their basic activity totaled 197 million man-days. This means that last year, like the year before last, 700,000 people did not work at their jobs every day. (in 1985—800,000).

I reread the report about the CPSU Central Committee conference devoted to the development of the lease contract in agricultural production. Essentially the central issue was the future of our agroindustrial complex.

We involuntarily ask whether the lease contract is compatible with the monstrous phenomenon that we shamefully call "patronly aid." With the (essentially forced) assignment of millions of people to work that does not conform to their qualifications: "to potatoes" in the countryside, to vegetable bases in the city, and to various kinds of construction here and there.

No, of course it is not! No one will question that the city can and should help the countryside. Now, however, under the new conditions of management, this aid has an entirely different look. Its basis is not "patronage" but cost accounting.

Strictly speaking, participants in the conference at the CPSU Central Committee cited examples of such aid (more precisely, of effective mutually advantageous cooperation, of new economic relations). Thus, I. O. Piven, the director of the Provisen Agrofirma in Lvov, told how industrial enterprises in the city and oblast allocated and coordinated resources for transforming the sovkhoz into an agrofirma and for dramatically developing hothouse farming here. "How will we settle accounts with work collectives?" the director asked himself. "That is a difficult question because there are no analogues. (...) We will settle accounts with collectives using fresh vegetables. In order to satisfy their needs we will open up stores, stalls, and dining rooms. We will supply them in proportion to their contribution."

Here they are, the new approaches!

However, the Goskomstat report returns us to today and shows that the old approaches cost.

In absolute figures, industrial enterprises have suffered the principal loss from the diversion of workers. Last year, they lost 96.6 million man-days. In terms of individuals, they lost 2.6 days per worker. But if we take relative figures (the reader himself can probably guess

this), scientific research institutions and design organizations have been the principal losers (8.7 million man-days or 4.2 days per worker and 5 million man-days or 4.7 days per worker, respectively). In the apparatus of management organs, on the other hand, this figure is much more modest: 3 million man-days or 1.7 days per worker.

And this is what is curious: this cup did not bypass a single branch in our national economy. Some send people out to work on construction sites, for example. Others divert professional builders from their duties. And the losses of working time in construction organizations due to this factor are colossal. In 1987—17.9 million man-days or 1.6 days per construction worker. And even sovkhoz workers make their contribution to strengthening other sectors of the economic front. Here the losses amount to 6.6 million man-days or 0.6 lost days per worker.

But the diversion of people—as in communicating vessels—means at the same time that people are also sent somewhere else. Where do people who are "diverted" from their duties work? And what benefit do they bring to the places where they are sent?

Almost half of the time (95.6 million man-days or 48.6 percent) of the people diverted from their direct duties is used in agricultural work. Second place is taken up with construction and the improvement of urban areas (31.7 million man-days or 16.1 percent). And what is in third place? The reader who says "vegetable bases" will be wrong. They are in modest fourth place.

In third place are summons to military registration and enlistment offices [voyenkomaty], people's courts, etc. Last year, 25.2 million man-days of working time were spent on such summons.

"Patronly aid" is not the only thing that prevents people from working at their jobs. How many all-powerful institutions do we have that sacredly protect their office hours and give no consideration whatsoever to the time and interest of others! Here is one more fact from the same series. Last year, 2.4 million man-days were spent on conferences and seminars not associated with basic activity. Even amateur talent activities and competitive sports events are held during working time. As a result of this another 1.8 million man-days were lost last year.

The weight of "patronly aid" and all other "obligations" naturally falls on the shoulders of youth for the most part. According to a poll conducted by statistical organs, 29 percent of the young workers named frequent diversions from their basic activity among the basic factors that reduce the effectiveness of their work. (This reply was received in particular from 34 percent of the young engineers, economists, and other specialists and 17 percent of the graduates of vocational-technical training schools).

Let us now add up the results. What does such irrational use of working time of millions of people cost the state? The comment in the Goskomstat report is as follows: the diversion of workers from their basic activity cost enterprises, institutions and organizations in the national economy 1,649,000,000 rubles in 1987. Of this amount, 1,547,000,000 rubles went to paying wages at the basic workplace.

Is it any wonder that the words "gone to the base" have acquired a negative meaning and have become synonymous with our mismanagement and disrespectful attitude toward people?

Tomorrow will undoubtedly be characterized by a new level and new forms of economic relations. But this requires that we draw lessons in full measure from the errors of yesterday and today. 5013

## DEMOGRAPHY

### Population Migration Patterns in Central Asia Described

18280063a Moscow *PLANOVOYE KHOZYAYSTVO* in Russian No 1, Jan 88 pp 86-89

[Article by Candidate of Economic Sciences A. Topilin, under "Territorial Planning and Areal Economics" rubric: "Basic Directions in Inter-Republic Population Migration"]

[Text] In order to improve the efficiency of our use of manpower resources, we need to increase intra-republic migration in our Central Asian and Transcaucasian regions and use it as a basis for expanding inter-republic migration. This requires that we create definite social conditions in Siberia and the Far East which will encourage incoming workers and their families to settle there.

The CPSU Program adopted at the 27th Party Congress underscores this point: "There is a need...to encourage the republics to participate actively in the economic development of new regions, to develop inter-republic exchanges of workers and specialists and to expand and improve the training of skilled workers from the citizenry of all thenations and nationalities living in the republics."<sup>1</sup>

Every year in the USSR, approximately 15 million people, or about 5 percent of the overall population, change their place of residence. The greatest migration occurs in the territory of the economic regions of the RSFSR. The least migratory activity occurs in the Central Asian republics, where it is only one-third to one-quarter as great among the members of the root nationalities as for the population of the RSFSR.

Are the present scope and directions of this migration in accordance with expanding the national economy under its intensification regime? Migratory trends have exhibited certain positive trends in recent years. From 1981 to 1984 the population of Siberia and the Far East—regions which need additional workers for their development—grew to 650,000 due to the influx of workers and specialists, compared to 400,000 for the 10th Five-Year Plan period. On the other hand, increased numbers of people moved out of the Central Asian republics which had surplus manpower. As this occurred, the ratio of positive migratory flows between the Central Asian republics and Siberia and the Far East improved in favor of the latter.

However, these changes demonstrate only numerical displacement processes. The qualitative parameters of inter-republican migration (its intensity, and the sex-and-age, family, national, occupational and skill-level makeup of the migrants) are still far from being in complete conformity to the interests of the national economy and the tasks of improving the efficiency with which the manpower potential is used.

Positive balance in the population migration within the eastern regions of the RSFSR has been achieved by virtue of the tremendous migrant turnover and the excessive population flows which were caused by the poor adaptability of the work-force. In Western Siberia in 1976-1986 the total number of those coming in and those leaving exceeded the migration balance by several tens of times. The migration intensity of the population of the Yakut ASSR and the Tyumen and Magadan oblasts is 3- or 4-fold greater than in the RSFSR's central regions. The new settlers who were unable to adapt bring old residents into the migration process. This upsets the stability of the work-force, worsens the microclimate in the production collectives, causes production capacities and material resources to be poorly used and hinders growth in labor productivity. The economic harm from non-rational migration in the Far East alone in the 1970's amounted to R6 billion<sup>2</sup>.

Those who leave the Central Asian republics which have surplus manpower by and large represent the population's Slavic group (Russians, Ukrainians and Belorussians). Thus, according to data from current statistical records, the balance of the population migration from Central Asian cities for 1979-1980 consisted of 40 percent Russians, 12 percent Uzbeks and from 5 to 7 percent Kirghiz, Tadzhiks and Turkmens. As a result, the share of Russians in the urban Central Asian population diminished from 33 to 28 percent from 1970 through 1979 and the proportion of Uzbeks, for example, increased for the same period from 28 to 34 percent<sup>3</sup>.

The departure of Russians and Ukrainians from the cities of Central Asia has exacerbated the cities' problem of providing industry and construction with skilled workers, which has a negative effect on the industrial

growth rates in the Southern Economic Area and on training skilled workers from the ranks of young people of the native nationalities. This is why the national makeup of the migrants should be constantly monitored by all concerned organs.

The negligible migratory movement of the native rural population of Central Asian republics causes accumulations of surplus manpower resources in rural areas. This population has the highest reproduction rate. The birth rate in the villages of Central Asia is 36-42 per 1,000 residents, which is almost 2-fold higher than the average for the country. As a result, from 1959 to 1986 the rural population increased by 110 percent in the UzSSR, 82 percent in the KiSSR, 140 percent in the TaSSR and 116 percent in the TuSSR, with drops of 31.2 percent in the RSFSR and 35.2 percent in the Belorussian SSR. According to predictions, no reduction is foreseen for the natural population growth rates in the rural areas of the southern republics.

Rural population density is increasing in these republics. In the irrigated farming regions, there are from 100 to 500 and more persons per square km. This reduces the arable land area available per rural inhabitant. During 1959-1985 this indicator fell from 0.58 to 0.40 hectares in the UzSSR, from 0.88 to 0.57 hectares in the KiSSR, from 0.60 to 0.29 hectares in the TaSSR and from 0.73 to 0.45 hectares in the AzSSR.

Surplus manpower levels cause reductions in the level to which agricultural machinery and mechanisms are used. This seriously impedes growth in labor productivity. From 1970 to 1985, labor productivity in the Central Asian republics showed practically no growth in the yearly average per worker, and even fell off in the KiSSR and TuSSR.

The low migratory mobility of the southern republics' rural population hinders the urbanization process in those republics. The proportion of the urban population during 1971-1986 increased in the UzSSR from 36.1 to 41.9 percent, and from 37.1 to 39.7 percent in the KiSSR, from 47 to 47.6 percent in the TuSSR and from 49.8 to 54 percent in Azerbaijan. In the TaSSR, the share of the urban population fell from 35.9 to 33.3 percent. For purposes of comparison, let us point out that at the beginning of 1987, 73.5 percent of the population of the RSFSR and 71.8 percent of the Estonian SSR's population lived in urban settlements.

Along with the overpopulation of rural areas and the negligible increase in the urban population of the southern republics there is **an acute shortage of skilled workers in industry, construction and in the non-productive sphere.** Native workers make up a small share of those employed in urban economic sectors. They make up a particularly small share in the sectors involved in scientific and technical progress which require a highly-skilled workforce. Thus, in 1983 in the Kirghiz machine-building sector, native workers made up only 12.5 percent, which

is less by a factor of 2.2 than in the food industry, and less by a factor of 2.6 than in light industry<sup>4</sup>. In the KaSSR, the proportion of native Kazakhs among industrial workers diminished, particularly in the coal and metallurgical sectors.

In the Central Asian republics and the AsSSR, the surplus manpower in the rural areas comprises a serious hindrance not only in improving the use of the labor potential, but in improving the socialist way of life as well.

The main task of the migration policy is to set up a system of measures aimed at most efficiently redistributing the labor potential throughout the territory of our country. This policy includes social and economic, organizational and legal measures for stimulating the relocation of the population from some regions to others and between the city and the countryside and for regulating the territorial mobility (reducing it in some population groups and increasing it in others). When developing these measures, consideration must be given to the need for increasing the number of industrial workers freed for other work by accelerating the introduction of achievements related to scientific and technical progress. Consideration must also be given to the peculiarities of population reproduction in the different regions of the country, i.e., the eastern areas of the RSFSR (East), the Central Asian republics, the AzSSR and the southern oblasts of the KaSSR (South) and the European USSR (Center).

**The overwhelming share of the impending increase in manpower resources is expected to come from the southern region with practically no increase expected in the central region.** In connection with this it will be necessary to "alleviate" the disparity in the growth rates for people of working age throughout the territory of the country, and to redistribute the population between the southern republics, with their surplus of working-age people, and the country's remaining areas. This will require that a stable number of people in the rural population be ensured for the RSFSR's non-Chernozem Zone, and that workers be brought into Siberia and the Far East and settled there in the future. These problems can be solved only by developing measures differentiated for the three areas and aimed at controlling migration, with the application of the measures coordinated as well. Implementing measures aimed, for example, at increasing the territorial mobility of native residents of the southern republics without creating appropriate production and social and domestic conditions to keep them in these areas will not have the desired result.

In analyzing the migration patterns throughout the three major areas—Central, Southern and Eastern—the first order of business is to determine their starting-points. During the pre-war and post-war years (up to the beginning of the 1970's) the starting points for inter-republican migration were the country's central and western areas (Center). Having, as they did during this period,

sufficient reserves of manpower resources, these areas supplied workers mainly for Siberia and the Far East, and other areas as well. At present, the central areas no longer have any unused manpower resources. As has already been mentioned, in the upcoming and more distant future, the basis for natural growth in the working-age population will appear in the republics of Central Asia, in Southern Kazakhstan and in the AzSSR, where the population's level of mobility, particularly in rural areas, is fairly low. This is why, in order to better use the rapidly-growing labor potential in these areas and to redistribute some of the manpower resources in other areas (first of all in the non-Chernozem Zone of the RSFSR, in Siberia and in the Far East, which need additional workers brought in), we need to take steps to enhance the migratory mobility of these people. This requires, first of all, that a complex of measures be taken to move rural members of the nationalities native to the Central Asian republics and Azerbaijan into nearby cities and urban-type settlements, i.e., to activate intra-republican migration. Only when these problems have been solved will we achieve the desired result when relocating a portion of the able-bodied population, primarily young people, into other republics, to the new construction projects in Siberia and the Far East, and into kolkhozes and sovkhozes in non-Chernozem areas.

In recent years the mobility of the native Central Asian and AzSSR population has increased. From 1970-1978 it increased most markedly among members of those nationalities in which it had previously been the lowest (it increased 3.4-fold among the Azerbaijanis, 2.8-fold among the Kirghiz, 2.7-fold among the Uzbeks and 2.6-fold among the Turkmens). At the present time some 453,000 Uzbeks, Kirghiz, Tajiks and Turkmens, or 2.3 percent of their total number, are living outside Central Asia, with 980,000 Georgians, Azerbaijanis and Armenians, or 7.4 percent of these nationalities, living outside the Transcaucasus. From 1959 to 1978 in the RSFSR alone, the number of Georgians, Azerbaijanis and Armenians increased by 297,000 altogether, or by 68 percent.

The reserves for mobility of the southern republics' native population can also be judged by the range within which the migratory intensity fluctuates throughout the Central Asian oblasts. The lowest level of migration was in the UzSSR's Khorezm Oblast and the highest—9-fold greater—in the TuSSR's Krasnovodsk Oblast. This stems from the fact that the latter oblast had the highest index of urbanization in Central Asia (82 percent), while most of the inhabitants (71 percent) of the Khorezm Oblast live in the country and tend to relocate very seldom. The situation in this oblast has been complicated as a result of the economy's orientation on one crop—cotton. A little over 4 percent of the able-bodied population work in industry here. The migratory intensity in 21 of 26 oblasts of Central Asian republics is still lower than the average for the region. If the migration intensity were to come up to the average level for these republics, then tens and hundreds of thousands more people could leave.

**Intra-republican migration in the southern republics should be increased, not only from the countryside to the city, but between individual oblasts within the republics as well.** For example, a total of 33 percent of Uzbekistan's manpower resources is concentrated over 80 percent of its territory. There are whole rayons in the Central Asian republics in need of additional manpower resources for their development.

The first thing to do when organizing intra-republican migration in Central Asia is to balance the growth of the rural and urban populations. This requires that the outflow of the rural population to local cities be made, in the near future, roughly equal to its natural growth. Is this really possible today? The social capacity of the cities of Central Asia is inadequate for bringing in and settling rural young people in them. The cities have insufficient housing, preschool facilities, schools, hospitals, polyclinics and other social facilities. The level of availability of these facilities for the per capita Central Asian urban population is considerably lower than in the other republics. Thus, in 1986 the UzSSR had 33.9 doctors per 10,000 persons, the TaSSR had 27.4, the TuSSR had 33.4 and the KiSSR had 34.1 compared to 55.1 doctors per 10,000 people in the Georgian SSR.

Surveys among rural young people show that 35.8 percent of the young rural dwellers in the TaSSR, 36.6 in the TuSSR and 21.6 in the UzSSR are willing to move to the city if allocated quarters. However, at the beginning of 1987 there was a total of only 10.1 square m of living space available per capita in the TuSSR, 11.1 square m in the TaSSR, 11.2 in the UzSSR and 11.3 in the KiSSR. And this is when capital investments to build housing and social and cultural facilities in the Central Asian republics go unused year in and year out. Housing and other social facilities are frequently planned and built without requisite consideration for the special features of the demographic structures of the population or for the number of families with large numbers of children. These and other problems associated with expanding the social capacity of the cities of Central Asia, together with the creation, in these cities, of the necessary numbers of work-places, has to be worked out in depth when drawing up the draft plan of guidelines for the economic and social development of the country for the period from 1991-2005.

**As intra-republican relocations increase, this will create conditions favorable to increasing migration of the southern republics' residents out of the region.** As this occurs, the two directions mentioned here need to be distinguished: the first is into the central and western regions of the European section of the country and the second—into Siberia and the Far East. The first will obviously be the main direction, since the center of the country has more favorable natural, climatic and socio-economic conditions. In recent years, several thousand people from the Central Asian republics have already resettled in the Novgorod, Yaroslavl and other oblasts of the RSFSR, where they live and work primarily in rural

locales. Since 1981, graduates of rural general education schools from the native nationalities of the TaSSR and TuSSR have been leaving to undergo training in the trade and technical schools of the RSFSR's central oblasts as well as in the Ukraine and Belorussia, where they frequently stay to live and work after completing their studies. In the last 5 years, 15,000 secondary school graduates have left Tajikistan for training. There are plans to send no less than 40,000 secondary general education school graduates from Central Asian republics and the AzSSR to study in trade and technical schools in the RSFSR and the Ukraine during the 12th Five-Year Plan period. In the years ahead, these numbers should increase 3-4-fold. And this is altogether possible. The material and technical base of the trade and technical schools in the RSFSR and the Ukraine are far from being in full use, which makes it possible to accept more students, whereas in the southern republics, despite constantly increasing numbers of these institutions, there are still not enough of them. Moreover, some of the graduates of the trade and technical schools in the RSFSR and the Ukraine can be sent to work in areas of Siberia and the Far East. Going through partial climatic, social and language-related adaptation in the central zones of the RSFSR and obtaining an industrial skill will help them to adapt quicker and get used to the eastern regions.

As for the second direction of intra-republican migration—from Central Asia to the East—we feel that it should be set up on a selective and local basis and should be carried out with certain conditions strictly observed. Representatives of the native nationalities of the southern republics—Uzbeks, Kirghiz, Azerjainis, Tajiks, Turkmens and others—will work as part of international brigades on new construction projects in Siberia and the Far East and will take part in developing BAM [Baykal-Amur Mainline] zones. In order to enhance their adaptation to these areas, it would be a good idea to set up national settlements having a social infrastructure which is familiar to them, i.e., with national schools, cultural and health-care institutions, print organs etc.

However, the overall effectiveness of this strategy for relocating manpower resources is extremely poor. According to Glavtyumengeologiya [Main Tyumen Oblast Geology Administration] data, no more than 5 percent of the members of nationalities native to Central Asia and Kazakhstan are capable of adapting, for example, to Western Siberian areas. Every third person coming from Tajikistan to develop the regions of the North returns home in the very first month<sup>5</sup>. Nor is it effective to use organized recruitment and resettlement to relocate these manpower resources.

Thus, relocation from the southern republics to the center of the country should be thought of as the primary direction for long-term inter-republican migration. This will contribute to gradually increasing the manpower resources in the central oblasts and primarily in the rural areas of the RSFSR's non-Chernozem zone. At the same

time, this will provide a quicker solution to the problem of training skilled workers from the ranks of native southern republican nationalities for the national economies of these republics, as well as for areas which are being newly developed and which are short of manpower.

The need and the urgency for more actively relocating native residents from Central Asian republics through the center of the country into areas of Siberia and the Far East has been confirmed by scientific research data. These data attest to the fact that the coefficients of migration intensity of the Central Asian and Transcaucasian peoples who live in other areas of the country are higher than for Russians<sup>6</sup>.

It will take a long time (several five-year plan periods) to realize the proposed scheme for South-Center-East inter-republican migration, and work in this direction needs to be begun immediately.

The system of migration policy measures should be differentiated for the country's three regions. **The main problem in the eastern areas of the RSFSR consists in creating conditions favorable to relocating the minimum needed number of maximally-adaptable workers in them.** This requires a more active labor-saving policy and the development of a higher standard of living and a complex of social and domestic and cultural services for the population in comparison with other areas.

There are many resources favorable to introducing labor-saving equipment and production methods in these areas. In Western Siberia, it takes 5-6 workers from other professions to serve each oil- and gas-field worker. This correlation is one-third less in other countries. It costs R17,000-20,000 to move and settle one worker from the Center to the Far East<sup>7</sup>, or 2-4-fold more than in other locales. If these costs are multiplied by the number of "superfluous" workers in the eastern areas, then it becomes apparent that these substantial sums of money could be spent far more effectively. Costs could also be cut by reducing the intensity of the migration to Siberia and the Far East. Reducing by at least half (to the level of the migration to the central areas of the RSFSR) would decrease unneeded migrations in opposing directions.

In developing measures aimed at forming a social infrastructure and at raising the standard of living of the population of the eastern region, it is advisable that temporary-residence districts be divided into areas with extreme conditions, and permanent-residence districts be divided into areas favorable enough for the population's vital activities. In the first above, we need to orient ourselves towards setting up and developing small-scale base cities and systems of duty-shift, expeditionary and mobile settlements; in the second—towards setting up permanent settlements.

The outstripping development of a production and social infrastructure and the more widespread introduction of the duty-shift method in the temporary-residence areas will make it possible to greatly reduce the need for bringing in more workers, will ensure that the population's employment level is raised by bringing duty-shift workers' family members into the productive sphere, will reduce the labor-force turnover and will cut down on excess migration.

**In permanent-residence areas, it is important that conditions needed by the newly arrived workers be created during their first year of living in a new locale.** In order to do this, we feel that a system of temporary additional payments should be introduced in the form of a variable portion of the regional wage coefficient. These payments would serve to compensate for the additional costs and difficulties associated with severe working conditions, the lack of a developed services sphere, living far from one's family etc. These raises ought to be clearly goal-oriented and temporary, which would provide the enterprises with an economic incentive to accelerate solutions to the social and domestic problems of settling in a new locale, since this would save wage fund assets. These pay increments should be gradually reduced as needed living conditions are created in the new location (provision of housing, pre-schools, schools, hospitals and other facilities related to the social sphere).

At the June 1987 CPSU Central Committee Plenum it was emphasized that there was a need "to allocate assets for developing a regional production and social infrastructure, for protecting the environment in new construction areas, and for implementing a system of economic benefits for those enterprises sited in prospective areas"<sup>8</sup>. One way to solve these problems could be by setting up a special state fund to be used to develop new territories. It can be formed primarily from withdrawals from those ministries and departments which as a rule try to construct enterprises in inhabited areas and save their assets for developing the social sphere.

The changeover of enterprises to self-financing and self-support should firm up the connection between the sectorial and territorial planning of social development. Large- and small-scale enterprises have differing potentialities for constructing social and cultural facilities. For example, the Gorkiy Motor Vehicle Association set itself the task of using its own assets to build housing for all its workers by 1995. Small enterprises, as well as enterprises in the non-productive sphere, as a rule, do not generally have enough assets for construction. This is why all associations and enterprises, in addition to allocating some of their profits into the state budget and the ministry fund, need to take a more active part in forming the budgets of the local Soviets in the territories in which they are located.

The June (1987) CPSU Central Committee Plenum calls for "standard payments to be made to local organs from calculated profits (incomes) of enterprises (associations)

regardless of their departmental subordination"<sup>9</sup>. When setting the standards for allocations for social development into the budgets of local Soviets, it is important that they be differentiated, and that regional factors be taken into account as well as differences in the production and social base from which the enterprises are changing over to full cost-accounting and self-financing. This approach will make it possible to "take up the slack" for temporarily lagging enterprises and to form local budgets large enough to speed up construction of housing and social-cultural facilities for their workers who are employed in non-productive sectors. This will help to create more equal conditions for all workers regardless of where they work, and will stabilize the production collectives.

It is also advisable, in order to enhance the territorial mobility of the native rural residents of the southern republics, to **expand the oscillating village-to-city migration**. This migration will create conditions for rationally using the labor of those workers who prefer for a number of reasons to live in villages. The women of the native nationalities, young people up to 30 years old, and people with a large number of children participate quite actively in oscillating migration.

Oscillating migration can also be furthered by organizing regularly-scheduled transport and through more widespread use of departmental transport and introducing subscription bus and railroad transport tickets.

In order for migration between republics to take place efficiently, it is important that the effect of the regions' social development and the population's standard of living on its parameters be thoroughly evaluated. There should be a more in-depth analysis of the influence of the standard of living, the peculiarities of the formation of popular demand as a function of the historical development of the republics, and the unique structure and way of life of the representatives of the various nationalities on territorial differentiation. These differences should be given fuller consideration when developing rational consumer budgets for the regions.

Scientific substantiation is required for problems related to evaluating citizens' personal property, which increases steadily as a result of wage raises, and also comes from other sources (inheritance, interest from personal deposits in savings banks, etc.). Moreover, not all the channels for unearned incomes, which in many places cause the amount of personal property to increase substantially, have yet been blocked everywhere. In our opinion, estimating the population's private property will help determine the reasons for migration more precisely.

We need to expand the statistical information as broken down by oblasts, krays, and ASSRs by the basic standard-of-living indices: the population's real incomes, public consumption funds and living conditions. Intakes of incomes from personal subsidiary farming plots, and cooperative and individual labor activities need to be

taken more fully into account. This is particularly important vis-a-vis the southern republics, as they have the most favorable conditions for developing these types of activities.

The data from the primary migration record should be processed with regard to a broader range of indices: national and family makeup, educational and occupational training level and reasons for migrating. Taken together with the standard of living indicators, these data will allow us to more deeply and thoroughly analyze the patterns of the migratory processes in the country.

In order to more efficiently use our manpower resources, including organizational procedures for redistributing workers throughout the regions, it would be important to develop and introduce a unified state system for administering manpower resources within the country. The system should be comprised of a unified information fund containing data on workers wishing to change the place where they work and live, including those who have submitted applications for Komsomal Youth construction projects. By using this information and an objective analysis of the areas' and new construction sites' demand for workers, and the living conditions in these areas, the labor organs will be able to make recommendations concerning the territorial redistribution of the labor force, taking into account the workers' occupational skill level, their family situation, national make-up, their state of health and other factors into account.

#### Footnotes

1. "Materialy XXVII syezda Kommunisticheskoy partii Sovetskogo Soyuz" [Materials of the 27th CPSU Congress. Moscow: Politizdat, 1986, p 157.

2. See V. P. Chichkanov: "Problemy i perspektivy razvitiya proizvoditelnykh sil Dalnego Vostoka" [Problems and Prospects for Developing the Production Forces of the Far East] // *Kommunist*, No 16, 1985, p 96.

3. The greater natural growth of the urban population of the native nationalities has also influenced the change in the relative share of the number of people in individual nationalities.

4. See Ye. P. Chernova: "Aktualnyye voprosy ratsionalnogo ispolzovaniya natsionalnykh trudovykh resursov" [Urgent Problems in the Rational Use of National Manpower Resources]. Moscow. 1984, p 32.

5. See KOMSOMOLSKAYA PRAVDA, 16 April 1987.

6. See L. L. Rybakovskiy and N. V. Tarasova: "Vzaimodeystviye migratsionnykh i etnicheskikh protsessov" [Interaction in Migratory and Ethnic Processes] // *SOT-SIOLOGICHESKIYE ISSLEDOVANIYA* No 4, 1982, p 32.

7. See Ye. Milovanov and N. Singur: "Planirovaniye sotsialnogo razvitiya Dalnego Vostoka" [Planning the Social Development of the Far East] // *PLANOVOYE KHOZYAYSTVO* No 2, 1986, p 103.

8. "Materialy Plenuma Tsentralnogo Komiteta KPSS 25-26 iyunya 1987 g." [Materials of the CPSU Central Committee], 25-26 June 1987]. Moscow: Politizdat, 1987, p 104.

9. "Materialy Plenuma Tsentralnogo Komiteta KPSS, 25-26 iyunya 1987" [Materials of the CPSU Central Committee, 26-26 June 1987] p 105.

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## MOTOR VEHICLES, HIGHWAYS

### Auto Plant Official Interviewed on Economic Programs

18290115 Moscow *PLANOVOYE KHOZYAYSTVO* in Russian No 5, May 88 pp 50-57

[Interview with Aleksey Vasilyevich Novikov, deputy general director of the GAZ [Gorkiy Motor Vehicle Works] Production Association, by A. Simonyan; date and place not given; first two paragraphs are PLANOVOYE KHOZYAYSTVO introduction]

[Text] The GAZ Production Association is working for the second year under the new management conditions; it is applying the principles of cost accounting, disseminating them to the shops and other production subunits; it is fulfilling the state order, using production reserves for this; and it is solving social development tasks more successfully.

Attaching importance to the experience acquired by the association, the magazine's editors requested A. D. Novikov, deputy general director of the GAZ Production Association, to talk about the interrelationships between the enterprise and the ministry, the economic work in the association, the involvement of the collective in solving urgent problems, etc.

[Question] Aleksey Vasilyevich, it would be good to begin our discussion with so-called organizational questions: How are relations with the ministry taking shape today; on the one hand, with the directors of intraproduction subunits and, on the other hand, with respect to the compiling of the plan and its initial data and on questions regarding the state order, norms, allocations, material support of production, etc.

[Answer] Clear-cut economic relations strengthened by sound norms have now been established between the association and the ministry. The objective norms are that there are fewer requests, letters and trips to the ministry; unsound ones are just the opposite. After a few items concerning our interrelationship with the ministry were defined more precisely during the first half of 1987, the need to ask for something from it decreased. If we sometimes attempted to ask for something, they answered us: "We have given everything to you, work and create your own funds." This circumstance broke in two the psychological mood of the association's leadership—do not ask for but look to yourselves.

This task, however, was considerably more complicated for the directors of the subunits located in the association. I will say right out that some of them are still writing letters—perhaps more than previously—and are demanding to be given, reimbursed, adjusted, etc. Since the beginning of 1987, all subunits have been transferred to complete cost accounting; and norms for the wage, material incentive and bonus funds, the ratios between the growth in wages and labor productivity, etc., have

been established for each one. However, all have not stood up economically; a number of subunits have allowed an overexpenditure in the wage fund and have failed to put assets into the material incentive fund. Not objective or subjective corrections to the norms but interruptions in the rhythm of production, which have been basically caused by cooperating plants, product defects (incidentally, we completely deduct a recognized external defect from the material incentive funds of the subunits) and other reasons, have had an effect here).

Citing unsatisfactory supply, many directors have continued to attack us with letters. In 1987, we moved to meet them; we permitted a couple of deviations from the regulations that had been adopted in the association and, unfortunately, strengthened the position of dependency among part of the directors. Of course, we must insure material and technical supply. This is a function of the association's leadership and only it should pay for disruptions in supply. However, the subunit directors themselves can solve other questions. As a result, we understood that cost accounting could become effective only when direct economic relations are established between the management staff of the association and the subunits. The subunit is guilty—search, yourselves, for a way out; analyze; think about how to economize and correct the situation.

[Question] Today, a large controversy is taking place around state orders. As the Law on a State Enterprise defined, they guarantee the satisfaction of primary social needs and are issued to enterprises in order to solve state-wide social tasks. However, they often establish for enterprises an increased state order percentage and include items of intraproduction consumption in the obligatory products list. What do you think? Is everything indeed taking shape as it should?

[Answer] Unfortunately, no. Quite a few contradictions and discrepancies have arisen. Our state order is 86 percent of the commodity production output. Practically the previous plan based on the products list—with the same excesses and unnecessary detailing as before—was passed to the association under the guise of a state order. The remaining 14 percent is, unfortunately, the same obligatory products list which was designed for the manufacturing of spare parts for our equipment, castings for the cooperative system, lumber, etc. Can one talk here about cost accounting maneuvering and about the establishment of complete cost accounting relationships between enterprises? We did not lessen the number of internal computations and mandatory indicators at the local level with the reduction of the state order positions in comparison with the previous plan. Planning through the state order is still not bringing independence in the formation of the plan. However, the transfer of several central agency functions to the association is increasing the load on the latter's management staff. For example, the Soyuzglavabtoselmash [Main Administration for the Supply and Sale of Motor Vehicles, Tractors, Agricultural Machines and Spare Parts for Them] of the USSR

Gossnab is being eliminated. All of the work in planning deliveries, compiling attachment plans, coordinating them with intermediate organizations supplying materials, and issuing various orders is being placed on the Gorkiy Motor Vehicle Works. In doing this, however, no one has thought about how to solve the assigned tasks—with what forces and specialists—under the existing norms for increasing the wage fund.

Another example. Our association has established a foreign trade firm. Previously, the Avtoekspost All-Union Association performed all of the functions connected with foreign trade. It has now transferred a significant portion of them to the association. These must also be fulfilled at the expense of the subunits' internal reserves under a very strict norm for increasing wages and a large requirement for allocating assets for non-production personnel (the construction of housing and other social, cultural and everyday needs)—all of this will put us into a difficult position. On the other hand, however, it compels us to conduct our affairs more economically.

The amounts of non-food goods are still being planned in the old way. In 1988, the state order prescribed 48 million rubles more than the association was able to fulfill. It did not consider any calculations or evidence. Without a doubt, it is necessary to increase the output of consumer goods—however, not by the wish method but considering interests. As the February 1988 CPSU Central Committee Plenum rightfully pointed out, attempts to solve the problem of the quantity and quality of goods and services using only administrative methods have proven to be of little effectiveness up to now. N. S. Gorbachev said at the plenum: "Evidently, it is necessary to think about this question: How perfect is the economic mechanism that was adopted by us for stimulating labor collectives and the branches to increase the production of consumer goods?"(1)

[Question] Aleksey Vasilyevich, today, the main thing in evaluating the association's activity is the indicator for fulfilling contract obligations based on product deliveries. Its fulfillment, however, is often disrupted through the fault of cooperating enterprises and for other reasons. How are things going in your association?

[Answer] According to the Statute on Delivering Production and Technical Products, the plans for attaching buyers and suppliers should be issued no later than four months before the beginning of the planning period. The USSR Gosnab Soyuzglavavtoselmash, however, has not observed the timeframes for issuing attachment plans for the plan period. As a rule, we have received them after a great delay. This hinders to a considerable degree the work of the association in the timely and qualitative fulfillment of contract obligations for delivering products—especially during the first quarter.

According to conditions on 23 February 1988, contracts had been concluded for the current year and orders equal to 60 percent of the total volume of products produced had been accepted for fulfillment. How will the association be able to fulfill its contract obligations under these conditions? Of the 286 ministry suppliers of material, 97 had not fully submitted orders for the first quarter, including the USSR Ministry of Construction, Road, and Municipal Machine Building; the councils of ministers of the union republics; the gosagroproms of the USSR and union republics; the USSR Ministry of Petroleum Industry; the USSR Ministry of Construction of Petroleum and Gas Industry Enterprises; the USSR Gosnab; the USSR Gosstroy; the USSR Procuracy; the USSR Ministry of Trade; the Ministry of Railways; the USSR Ministry of Coal Industry; and the Moscow Gori-spolkom. The organizations supplying assets are delaying, in particular, the distribution of motor vehicles that operate on compressed gas, expecting that they will be removed or replaced by gasoline ones.

One can also talk about other difficulties. With the coming into effect of the Law on a State Enterprise, for example, ministries and departments are commissioning their associations to enter into direct contract ties with the Gorkiy Motor Vehicle Works. This will lead to a sharp increase in the number of contracts—up to 15,000 (for trucks and cars alone) instead of the 6,200 concluded in 1987. One contract with a centralized product payment from USSR Ministry of Construction of Petroleum and Gas Industry Enterprises funds was concluded in 1987 for the delivery of 480 vehicles. In 1988, it was suggested that contracts be concluded with 200 consignees for a total of 415 vehicles.

In 1987, one contract was concluded with the RSFSR Ministry of Motor Transport for the delivery of 11,850 vehicles. In 1988, it is proposed that contracts be concluded with 83 kray and oblast automotive administrations. It appears that the breaking up of contracts into smaller units can have negative consequences: increasing the number of deliveries with non-transit norms, reducing routing, increasing the requirement for railroad flat-cars, and complicating the monitoring of the fulfillment of contract obligations.

There exist, however, positive examples in the practices of the association's contract work. The delivery of motor vehicle equipment to the Azerbaijan SSR, Armenian SSR, Moldavian SSR, and Uzbek SSR is taking place using special routes to USSR Gosnab territorial bases. This permits a very rapid delivery of products to the recipients to be carried out, insures the safe-handling of automotive equipment during transportation, and has a positive effect on the economic indicators of both parties in general.

In our opinion it would be advisable for the USSR Gosnab to establish regional bases in addition to those existing in the republics, to which GAZ could deliver automotive equipment in a centralized fashion using delivery routings.

[Question] The delivery of vehicles to the customers basically occurs using rail transport. Do you have difficulties in the delivery of goods to the consumers and in the sale of products arising from this?

[Answer] The Gorkiy railroad administration annually fails to provide enough railroad flatcars and double-deck cars, it sends gondola cars instead of flatcars (three-four vehicles can be loaded on a flatcar, and two—in a gondola car). As a result, unplanned self-export, additional out-of-town assignments of thousands of people, large transport expenditures, and difficulties with fulfilling contracts arise. As you see, there are quite a few problems. However, there is still more.

Enormous difficulties have arisen in connection with the restructuring of the banks. The branches of the gosbanks and stroybanks in the rayons and cities were combined without any preliminary organizational preparation. As a result, the run of payment documents was lengthened two-threefold, the plan for the sale of the association's products at the beginning of the current year was disrupted, and the processing of information was made more complicated. Many enterprises, to whom we delivered motor vehicles, became insolvent due to the impact of the changes in their ties with the bank. It was necessary to punish them and halt deliveries, but where to put the vehicles. Sufficient storage areas did not exist. Above-norm stocks grew—not to mention the failure to fulfill contacts. It seems that the banks should assume the guilt for the failure to fulfill product sale plans and compensate for this with an interest-free credit.

Experience has shown that having reported the 100 percent fulfillment of contracts, we find (at a later date) difficulties that affected the fulfillment of this indicator during the reporting period—the freight did not get to the recipient or was delivered in an unsatisfactory condition, the customer refused the products, etc. In 1987, for example, customers rejected 50 vehicles, orders were not drawn up for 20—and all of this occurred at the end of the year. That is why we have had to prove our innocence by submitting a large amount of information and explanations—much working time was spent doing this.

[Question] Well, if errors and mistakes occur during shipment, how are they reflected in the fulfillment of the contracts?

[Answer] The contracts are considered unfulfilled. Let us say that a worker has made a mistake during the packaging of spare parts and failed to pack a certain number of items or packed them for someone else or that it is economically inadvisable to dispatch the products to this customer because of non-transit norms although the time has come to fill the contract. Even in these cases, the association pays the customer for the failure to deliver. The 100 percent fulfillment of the plan according to contracts is disrupted because of these small failures to deliver. All of the well-known consequences come from

here. There are, however, also other reasons that subject contracts to the threat of disruption. The existing procedure for introducing changes into contracts does not permit questions regarding transference or changes in delivery periods to be effectively solved with customers. They can be changed only with the written consent of the purchaser. It seems advisable to evaluate the fulfillment of delivery contract obligations by associations and enterprises only in accordance with that product which is mentioned in the state order as having state-wide importance. Within the limits of free sales, an enterprise should itself regulate its relations with the consumer and bear responsibility for this, including economic responsibility. In our opinion, the appropriate agencies should examine this question.

I would like to mention a number of other proposals which should be reflected in the new economic legislation and which would permit the association to make better use of its rights under the conditions of cost accounting.

In the new Statute on Deliveries, it is necessary to stipulate the real responsibility of planning agencies for the untimely issuance of planning targets and other violations of the rules for their issuance because the responsibility, which was provided for in the previously adopted statute, is applicable only to cost accounting bodies. The structure of contract ties also requires improvement. It is necessary to allocate through the USSR Gosnab and USSR State Agroindustrial Committee systems funds for products in amounts lower than the minimum transit norms.

In addition, it is necessary to repeal the technological deviation norms for ordered delivery amounts of metal products, which have been approved by the USSR Gosnab, because they contradict the Statute on Product Deliveries, illegally free metallurgical enterprises from their prescribed responsibility and deprive the consumer of carry-over balances at the beginning of the following year.

Furthermore, it is necessary either to eliminate the disproportion in the cooperating supplier's property responsibility for a failure to deliver an end item or to simplify the procedure for punishing for losses caused by the suppliers of component parts. The enterprises, which supply component parts, should also be involved as co-respondents during the arbitrators' examination of cases concerning the delivery of a poor quality major item because components (engines, batteries, tires, etc.) also break down. At the present time, the arbitrator only makes the manufacturer of the main product responsible even when the guilt of the enterprise, which produced the components, is established.

[Question] Aleksey Vasilyevich, let us return to cost accounting. The activity of any subunit in the association should be constructed on the principles that are set down in the Statute on Intraplant Cost Accounting for an enterprise as a whole. How is this statute being applied in your association?

[Answer] An analysis of the practices in applying the Statute on Intraplant Cost Accounting shows that, generally speaking, they reflect new approaches and solutions in strengthening economic management methods and are having an impact on the association's final work results.

Intraplant cost accounting is based on the same principle as the association's cost accounting. For example, the multiple nature of the parts of the evaluation indicators, including the indicators for production volume, labor productivity growth, commissioning of production capacities and fixed capital, unite them. The formation of wage and material incentive funds is also common to them—the earning principle is used in both cases.

At the same time, there are also a number of distinguishing features which to a certain extent take into consideration the level and functional specifics of the subunits. Profit is the main evaluating indicator for the work of the association, and manufacturing costs—in the subunits.

Whereas the association's cost accounting assumes that an overexpenditure in the wage fund is compensated for from the material incentive fund based on the quarter's results, compensation occurs monthly in intraproduction cost accounting. This provides an opportunity to regulate the procedure for paying for labor more effectively and to raise the effectiveness of the incentive system.

The fines and cost accounting claims, which are brought against the association, are satisfied at the expense of its profit. Internal cost accounting provides a more delicate mechanism: the amounts for cost accounting claims are related to manufacturing costs and the wage fund of the subunit and fines come from the material incentive fund. This has a more significant impact on the subunit's collective because it affects personal interest.

Of the economic incentive funds in subunits, only the material incentive fund is formed by increasing the base norm fund for a one percent lowering of costs; it is established in the association from the remaining portion of the profit in accordance with a stable norm. With respect to the fund for developing production, science and technology and the fund for social development, they are still not being formed in subunits.

A year of working under the new conditions has shown that the hopes, which were placed on the intraorganizational accounting mechanism, have not been justified to the required degree. We have not managed to increase the effectiveness of the work of the subunits and the association in general to a significant degree. Moreover, a number of structural subunits and the association in general began to work more poorly in 1987 under the conditions of self-financing.

[Question] Where do you see the causes for the situation that has been created?

[Answer] It is possible to mention the worsening in the association's supply, the lack of timeliness in deliveries of components and, because of this, the reduction in the smoothness of production as some of the objective external causes.

There are, however, also internal causes. The following must be related to them: first, the still low economic standards of some subunit directors which have led to a lack of understanding of the essence of the new system and, as a result, an underestimation of the effectiveness of the new system for their cost accounting interactions; second, the adherence to old forms of volitional pressure on collectives and the lack of a desire to use economic management methods; and, third, insufficient coordinating and monitoring work by the economic services in introducing measures aimed at expanding and deepening internal cost accounting.

An analysis of the effectiveness of intraplant cost accounting in the association during 1987 permitted a number of conclusions to be made; the taking of them into consideration corrected the permitted shortcomings.

The Statute on an Association's Cost Accounting stipulates that when the delivery plan is fulfilled in accordance with contracts, the material incentive fund is increased by 15 percent; and in subunits—by 6.0 percent for fulfilling the plan according to the products list (the delivery plan—through the NChP prices). The fact of the matter is that we evaluate the fulfillment of contracts accurately for the association, but we do not always manage to do this for the subunits according to the products list delivery plan. This is connected with the large products list of items and assemblies and the difficulties in computation (the use of computers is minimal). In addition, the late conclusion of contracts by the association leads to changes in the detail program which, in turn, also has an effect on the cost accounting activity of the subunits and on the fulfillment of the products list plan. Contracts are signed and firmed up over the entire first half of the current year, but the detail program of the subunits is developed in November—at a maximum, in December—of the previous year. That is why it is possible to understand the production workers when they become indignant at the constant changes in the plan.

These shortcomings as well as incomplete and non-objective information about unfinished production compel one to approach with caution the establishment of a norm for increasing the material incentive fund in the main production subunits.

Having improved the system for considering products lists in 1988 and relying on an improvement in contract work, we have raised the interest of subunits by increasing the norm for calculating the material incentive fund from 6 to 10 percent.

Another cause of the poor effectiveness of the cost accounting mechanism within the association is the inadequacy of the norm for forming the wage fund in subunits. The cost accounting statute stipulates common principles for its establishment in the association and in the subunits based on long-term norms. Subunits independently calculate the wage fund for the plan period in accordance with the norm and considering an increase in production volume.

The norm for increasing wages for the association is set at 0.29 for a one percent increase in products according to the NChP. Not all subunits have an identical volume increase. For example, the output of machine-tool industry products grew twofold in 1987, yes, and annually even before the end of the five-year plan. In order to insure this volume, we had to establish a norm of 0.5-0.6 for these subunits. This led to an overexpenditure of the fund for the association. The 0.29 norm also does not cover the significant increase in car production. As a result, the majority of subunits in primary production overexpended the wage fund based on the year's results. In order to eliminate this situation, it is necessary to reduce the material incentive fund by the increase in overexpenditures or hold bonuses in reserve by the amount of the wage fund overexpenditure.

The overexpenditure of the wage fund in this case is compensated for from the material incentive fund of the association. This undermines the principle of a cost accounting basis for the work of subunits. This is also evidence that the wage growth norms, which the 12th Five-Year Plan set, do not insure a cost accounting interest in increasing production volumes. It is possible to object here that it is necessary to increase volumes by raising labor productivity and scientific and technical progress. We have also done this by carrying out a technical re-equipping, expending a great deal of manpower and assets as well as the wage fund on this. However, we will only receive a return at the end of the current five-year plan and during the 13th one.

[Question] How is the material incentive fund being used in the association?

[Answer] In 1987, it was minimal in a portion of the association's subunits as a result of the overexpenditure of the wage fund and the payment of fines due to low quality and the failure to deliver products.

The mutual material responsibility system of the association's subunits, which is aimed at strengthening planning and cost accounting discipline between the structural subunits, has not been fully worked out.

An analysis shows that all subunits are not using the penalty mechanism. The data on the balance of external and internal fine amounts testify to this. Evidently, the indecisiveness of the subunit's leadership is having an effect. In 1987, approximately 10 million rubles were spent on different types of fines and approximately 17 million rubles were received from suppliers). Fines for delivering poor quality products were approximately two million rubles; for the overexpenditure of energy allocations—1.5 million rubles; for the failure to fulfill contracts for the delivery of metal wastes—approximately 400,000 rubles; for the delivery of incomplete vehicles—600,000 rubles; etc.

In order to prevent such losses of profit, we strengthened the work of the legal service in 1988, introduced arbitration for the trying of cases between subunits, increased the monitoring of all channels of profit losses, and raised the material responsibility of the subunits for downtime caused by them.

[Question] Aleksey Vasilyevich, nevertheless, what are the results of the association's work under the new conditions?

[Answer] The efforts of the association's entire work collective have permitted the planning targets for the sale of products considering the fulfillment of delivery contract obligations to be fulfilled. The plan for all models of vehicles and spare parts has been fulfilled by 100.3 percent; for cooperative deliveries—by 101.1 percent; and for non-food consumer goods—by 101.3 percent.

During 1987, products, which were mastered in the USSR for the first time, reached 30.8 when the plan called for 29.8 percent. The share of products in the highest quality category reached 34.6 percent of the commercial product volume when the plan called for 34 percent. The plan for assimilating capital investments was fulfilled by 106 percent, including the method using the organization's own resources—by 104 percent; and for production construction and the handing over of equipment for installation—by 104 percent. The labor productivity target was met by 101.7 percent. The 1987 profit plan was overfulfilled; 96.4 million rubles were received over and above the plan.

In accordance with the prescribed norms and indicators, allocations to the economic stimulation funds reached: for the development of production, science and technology—150.9 million rubles; for social development—93.3 million rubles; and for material incentives—52.9 million rubles. In 1987, the following were commissioned: 7 automatic transfer lines, 32 industrial robots and 50 metal-cutting machine tools with numerical controls, including 20 processing centers; and a computer complex, designed to compute power demands in subunits, was put into operation.

More than 4,000 families improved their housing conditions and 11,200 rubles of services were provided to the population. More than 15,000 persons vacationed in holiday homes and on tourist trips.

At the same time, last year taught us a great deal. It became clear that it is impossible to work today using the old deeply rooted methods. We need a transition to an integrated system for managing production and the scientific, technical and social development of the association. In order to move forward so that economic factors and methods will be really aimed at mobilizing workers to radically improve the results of the association's work, we need an integral program for including the cost accounting interactions of the subunits.

[Question] In your view, which of the measures in this program are the most important?

[Answer] We have reviewed several statutes on intraplant cost accounting with a consideration for the shortcomings that have been revealed and the suggestions that have arrived from work collectives;

We have established a working group, which has been given the function of analyzing the cost accounting organization level in the structural subunits, from the leading specialists in the economic services;

We have organized the training of the enterprise's directors, specialists, and employees in accordance with a 20-hour program entitled "The Organization of Intraplant Cost Accounting Under the Conditions of the Association Working Under Self-Financing and the Effect of the Law on a State Enterprise (Association)";

We are continuing the work to involve scientists in further expanding intraplant cost accounting;

We have developed and introduced new statutes in 1988: on the collective contract for production and shops; on arbitration in the association; on cost accounting in a number of functional services; and on the awarding of bonuses for directors, specialists and employees for the main results of their economic activity.

Thus, as you see, the problems are many. The formation and expansion of cost accounting in the association and among the subunits is a complicated task. We will solve it by developing creative initiative and democratic forms of management and by improving the entire management mechanism.

#### Footnote

1. M. S. Gorbachev, "Revolutsionnoy perestroyke—ideologiyu obnoveniya" [Revolutionary Restructuring—The Ideology of Renewal], Moscow, Politizdat, 1988, p 31.

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## RAIL SYSTEMS

### 1987 Performance Highlighted

18290123a Moscow ZHELEZNODOROZHNIY  
TRANSPORT in Russian No 4, Apr 88 pp 12-17

[Unattributed article from Materials of MPS Statistics Administration: "Railroad Transport in 1987"]

[Text] Collectives of the railroad transport sector's railroads, enterprises and organizations, in bringing into life the decisions of the CPSU Central Committee's 27th Congress and June (1987) Plenum on radically restructuring our economy's management, have concentrated their efforts on making practical improvements in the economic aspects of their production work and on the sector's social development.

In 1987, our railroad workers, together with all the Soviet people, celebrated the 70th Anniversary of the Great October [Revolution] with new labor successes and by widespread development of socialist competition so as to meet the plan targets for this year and for two years of the five-year plan period ahead of schedule. Mention was also made of the 150th anniversary of our country's railroads as it relates to multiplying and expanding the railroad workers' glorious traditions' and accelerating scientific and technical progress. A large-scale and wide-ranging effort has been made to set up a new economic management system along with the General Scheme for Managing Railroad Transport, and preparations were made to introduce them. All of this has helped to enhance the initiative and activity of railroad transport workers in carrying out the assignments of the 12th Five-Year Plan period.

An examination of the work done by railroad transport this year and for two years of the five-year plan period indicates that positive results have been attained in a number of crucial indicators. In 1987, in spite of the lag of the 1st quarter, the plan for freight deliveries was fulfilled thanks to the stepped-up labor of our railroad workers' collectives and strengthened leadership in our operational work. In two years, about 79 million t of above-plan national economic freight was delivered. This included 26 million t of coal and 3 million t of coke, 14 million t of petroleum products, over 18 million t of iron and non-ferrous ore and many other industrial and agricultural products. Collectives of the West Kazakhstan, Southeastern, Belorussian, Baykal-Amur, Kemerovo, Tselina and Moldavian railroads were among the first to fulfill the 1987 plan ahead of schedule.

The target for passenger turnaround was overfulfilled by more than 16 billion passenger/km, or 7.6 percent, at a target for the five-year plan period as a whole of 7.5

percent. About R300 million in above-plan profits were earned in 1987 and almost R700 million for the last two years, at an assigned quota of R1 billion for the five-year plan period.

Intensification of the rail transport process has been expanded in all directions. The use of progressive technology has helped make further increases in train tonnages and has increased the railroads' carrying capacities, particularly those lines with the heaviest workloads. Just increasing hauled weight and static load during the last two years has brought about a 90 percent increase in freight deliveries. We must now further increase our efforts along these lines.

The Belorussian Railroad made the greatest contribution towards intensifying production processes. This line's experiment aimed at increasing its growth rates for labor productivity, improving its operational efficiency through the introduction and effective use of advances in scientific and technical progress, improving its production processes, improving the level of organization, discipline and responsibility of every worker, and disseminating all these factors throughout the entire railroad system, has allowed it to handle increasing traffic volumes with the least possible number of workers. This resulted in labor productivity on the railroads increasing by 6.8 percent in 1987 and by 14.9 percent for the last two years, at a five-year plan quota of 10-12 percent. This increase in labor productivity made it possible to raise the average wage on deliveries by R26 for the system as a whole, without having to use additional state assets. Specifically, the wage increase for the Belorussian Railroad came to R45, R41 on the Moscow Railroad, R35 on the Central Asian Railroad, R34 on the Lvov Railroad and R32 on the Alma-Ata Railroad. Introduction of the Belorussian experiment on the railway system freed about 280,000 persons for other work. Of these, 160,000 were sent to work in other sectors of the national economy. It has now been recommended that the Belorussian Railroad workers' experiment be widely disseminated in national economic sectors.

These are concrete steps taken by the railroad transport sector to increase labor productivity and reach the highest world levels for this indicator. According to preliminary data for 1987, Soviet railwaymen achieved delivery-related labor productivity of about 90 percent of that achieved by U.S. railways. From 1985 to 1987 the labor productivity gap for the railroads of the USSR and the USA was reduced by 8.3 percent.

All the same, we need to point out that it will be more difficult to close the gap for three years of the five-year plan period, since the reserves needed to master the Belorussian method have mostly been exhausted. In the period ahead, other reserves for increasing labor productivity will have to be put into action, and more intensely. These reserves include the compulsory introduction of advances in scientific and technical progress, the working experience of leading collectives and production innovators and coping as fully as possible with increasing freight and passenger delivery volumes.

In 1987, railroad transport operated under a new system of economic management which gave its enterprises more independence and responsibility for their final results, brought about radical changes in operating style and methods and changed the sector over, as of January 1988, to full cost-accounting [polnyy khozraschet] and self-financing so as to establish the needed economic base.

#### FREIGHT DELIVERIES

Particular emphasis has been placed on punctual deliveries of fuel, raw metallurgical ore materials, cargoes for the machine-building complex, foodstuffs etc. The quota for bituminous coal deliveries was overfulfilled by 5.8 million t, for oil and petroleum products—by 11.5 million t, for ore of all types—by 6.8 million t, and for grain and remilling products—by 11.5 million t. Above-plan deliveries were made of 4 million t of chemical and mineral fertilizers, 2 million t of cement, 2.7 million t of ferrous metals, 2.2 million t of mixed feeds and 1.2 million t of coke.

At the same time, neither the plan for peat, timber freight, fluxes, refractory materials, metalwork, granulated slag, perishable cargoes nor the plan for 7 of the 18 products on the year's products list were fulfilled, and in many regions of the country, customers' demands for other products were not met. Table 1 shows the degree to which the railway system fulfilled the plan for freight deliveries.

Table 1.  
plus or minus towards the  
plan or by (year)

1987

Indicators	Plan Fulfillment	1985	Plan	1985	
Freight deliveries, millions t	4,050.0	—	+115.9	100.0	102.9
Of them					
Coal	789.5	+5.8	+35.8	100.7	104.8
Coke	34.1	+1.2	+0.5	103.7	101.5
Oil and petroleum products	423.6	+11.5	+4.4	102.8	101.0
Peat and peat products	10.5	-1.3	-0.5	89.1	95.8
Iron and manganese ore	265.3	+3.5	+6.2	101.3	102.4
Non-ferrous ore and raw sulfur	69.6	+3.3	+2.6	105.0	103.8
Fluxes	67.8	-0.2	+0.2	99.8	100.3
Ferrous metals	210.0	+2.7	+5.2	101.3	102.6
Metalworks	4.9	-0.7	-0.6	88.3	88.5
Timber freight	156.2	-13.3	+6.9	92.2	104.6
Refractory materials	28.4	-1.0	-1.2	96.4	96.0
Cement	108.5	+2.0	+4.7	101.9	104.6
Industrial raw materials and molding materials	117.3	+1.3	+9.8	101.1	109.0
Granulated slags	24.2	-1.6	+0.7	93.9	102.9
Chemical and mineral fertilizers	158.5	+4.0	+12.1	102.6	108.3
Grain and remilling products	147.5	+11.5	+1.0	108.5	100.7
Perishable foodstuffs	11.4	-0.1	-0.1	99.3	99.4
Mixed feeds	27.7	+2.2	+2.5	108.6	110.1
Construction freight	894.0	+71.2	+125.0	108.7	116.3
Shales	16.5	-0.2	-0.5	98.9	97.0
Ferrous metal scrap	64.4	+3.3	+0.6	105.3	100.9
Non-ferrous metals	15.3	+0.7	-0.4	104.9	97.4
Chemicals and soda	86.9	+4.5	+4.7	105.6	105.7
Sugar	13.3	+1.0	+0.9	108.8	107.2
Potatoes, vegetables, fruits	14.5	+3.5	+1.6	132.0	112.3
Salt	18.7	+0.3	-0.5	101.7	97.3
Cotton	4.0	+0.7	+0.05	121.2	101.2
Sugarbeets	22.4	+0.8	-0.5	103.8	97.8
Oil cake	11.7	+1.0	+1.4	109.2	113.2
Paper	13.4	-0.1	—	99.5	100.0
Cargoes transferred from water transport	43.2	-2.3	+1.3	94.9	103.1
Imported cargoes	88.7	+1.4	-15.7	101.6	84.9
Freight deliveries, 1000's railcars					
Machines, machine tools, motors	1,141	+3	-68	100.3	94.4
Metalware	1,145	+97	-37	109.3	96.9
Agricultural machinery	1,004	-54	-37	94.9	96.4
Motor vehicles	760	+31	+24	104.3	103.3
Other foodstuffs	817	+100	-131	113.9	86.2
Industrial commodities	1,098	+30	-182	102.8	85.8
Poultry	138	+38	-2	138.0	98.6
Containerized cargoes	2,026	+27	+279	101.4	116.0
Remaining miscellaneous cargoes	4,315	-1,141	+96	79.1	102.3

We were unable to make use of the rhythmic nature of freight-handling during the days of the week, and even more so on off days and holidays, to raise the level of freight operations. As a result this caused us to lose over 27 million t in deliveries last year. Of the nine railroads

which failed to cope with the plan, those with the greatest shortages in dispatched freight were the Donetsk, with 4.2 million t, the Kuybyshev, with 3.8 million t, the Volga, with 2 million t, and the South Urals and West Siberian railroads, with 1.8 million t each. Of 172



divisions, 93 fulfilled the freight-handling plan for the year. For the remaining divisions, shortages of dispatched freight versus plan quotas amounted to 71.1 million t.

The difficulties encountered in fulfilling the freight-delivery plan for the 1st quarter lowered the level of block train and multi-stop routing to 42 percent against 43.4 percent in 1986 and this reduction concerns all loads under review except imported freight. This helped to maintain the high level of routing for traditional mass cargoes, i.e., coal, fluxes, iron and manganese ores, non-ferrous cargoes, mineral fertilizers and petroleum-related cargoes. In 1987, the level of routing on the October, Belorussian, Odessa, Southern, Dnepr, Alma-Ata and Kemerovo railroads was maintained at the 1986 level or was improved. The remaining railroads, particularly the Moscow, Azerbaijan, Kuybyshev, Sverdlovsk, West Siberian, Far Eastern and Baykal-Amur railroads were within the 3.2 to 4.5 percent range.

The ministry's measures to increase the use of the load-carrying and volumetric capacity of its freight cars has increased the static load by 70 kg above the plan figure and by 230 kg over the 1986 level. This made it possible to deliver over 17 million t of freight without using additional railcar stocks. Static load levels were raised for most mass loads: coal by 1.07 t, petroleum cargoes by 0.71 t, raw industrial and molding materials by 0.67 t, non-ferrous ore and raw sulfur by 0.69 t and granulated slag by 2.09 t. The static load was reduced for timber freight, shales, metalworks, scrap ferrous metal and certain other types of freight. Of the 11 railroads which allowed this indicator to fall off, we should mention the Gorkiy, Transcaucasian, Volga, West Siberian and Transbaykal railroads, which allowed it to fall off by 320-1,160 kg. Some 13 railroads failed to meet the plan quota for this index.

Improving unloading operations is an important source of loading resources. However, substantial losses of local freight caused a number of railroads to deliver and unload fewer railcars. This mainly involved the Volga, October, Transcaucasian, Lvov, Baltic, West Siberian and Transbaykal railroads. These and a number of other railroads failed to make the requisite effort to reduce the change-time of their railcars, and failed to step up unloading operations on their branch lines during holidays and during the first half of the workday, at which time they carried out only about 29 percent of these operations.

The plan for containerized freight deliveries was not fulfilled in 1987, with reductions in volumes of these deliveries and sharp reductions in container loadings allowed on most of the railroads. Much the same situation occurred with regard to deliveries of packaged freight. The Southeastern, West Siberian, Odessa and Volga railroads failed to fulfill the unloading plan for loading and unloading operations by mechanized subdivisions. The freight turnover for the system amounted to

3,825 billion scheduled t/km, which was 1 percent below the plan and 0.3 percent below the 1986 level. The plan for this index was fulfilled by 11 railroads.

### INDUSTRIAL TRANSPORT

The enterprises affiliated with the MPS Main Industrial Railroad Transport Administration (GUPZhT) fulfilled the 1987 plan for delivery volumes by 104.8 percent by shipping approximately 30 million t of above-plan freight. Delivery volumes increased by 6.4 percent, or 38.3 million t over the preceding year. The plan for loading and unloading operations was fulfilled by 101.6 percent, with 6.4 million above-plan t processed. Transloading operations volumes increased by 1.6 percent, or 6.4 million t over 1986. The Kaliningrad and Perm territorial production associations failed to fulfill the plan for freight delivery volumes, and the Vladimir, Volgograd, Novosibirsk and Ukrainian territorial production associations failed to fulfill the plan for volumes of loading and unloading operations. Delays for railcars of this main administration's enterprises were reduced by 0.2 hours, though this is still 0.34 hours over the norm and actually amounted to 11.72 hours. It was exceeded by the Volgograd, Armenian, Tyumen and Sverdlov territorial production associations.

Except for the Ukrainian Production Association, the plan for profits was fulfilled overall throughout the TsUPZhT by 121.9 percent. Over R14 million were earned above the plan. The plan for labor productivity was fulfilled by 115.7 percent, which is 12.3 percent over the preceding year. Production costs were cut by 4.9 percent. Cut-backs on expenditures on the volume of completed work came to over R10 million. The quota for revenues was met by 104.2 percent. A total of about R8 million, or 92.4 percent towards the plan for construction and installation work was completed.

The plan for delivery volumes for two years of the five-year plan period was fulfilled by 108 percent, with 94 million above-plan t of freight delivered. The plan for loading and unloading operations was fulfilled by 104.9 percent, with 36.8 million above-plan t of freight handled. Here, the Armenian Association failed to fulfill the plan for freight deliveries and the Volgograd, Kuybyshev, Moscow and Novosibirsk production associations failed to fulfill the freight processing plan.

### PASSENGER TRAFFIC

The country's increasing population, with its improving material well-being, and our expanding international ties are having a definite influence on increased passenger traffic volumes and at the same time are putting increased demands on the organization and servicing of this traffic. In 1987, our railroads conveyed over 4,360 million passengers, almost 200 million more than in 1985. The increase in passenger traffic stems in large part from long-distance runs.

The plan for passenger turnover was fulfilled ahead of schedule: the plan for the year on 17 December and the plan for two years of the five-year plan period on 1 December. In 1987, passenger turnover amounted to 402.3 billion passenger/km, which is 16.3 billion (4.2 percent) over the plan and 12.1 billion (3.1 percent) greater than the same

period for the year before. The highest level of passenger traffic occurred during the summer months (Table 2). Over R160 million was earned above the plan. Services provided for passengers in railway stations and on the trains increased by more than 4 percent.

Table 2.

Years	Absolute	July in / of average monthly level	Absolute	August in / of average monthly level	
Average monthly level					
Number of passengers conveyed, millions					
1985	347.2	423.1	121.9	412.1	118.7
1987	363.3	445.8	122.7	427.8	117.8
Passenger turnover, in millions passenger/km					
1985	31,168	46,901	150.5	43,884	140.8
1987	33,520	53,357	159.2	45,278	135.1

The measures outlined in the Comprehensive Program for Rapid Traffic were implemented on the Moscow-Tynda, Irkutsk-Moscow, Moscow-Yerevan and other runs. The number of runs of extra-long (20-25 cars each) and excursion and touring trains have been increased, however increasing the number of cars on passenger trains has been delayed due to passenger car shortages. While the number of passengers conveyed increased by 4.7 percent over 1985, the car park remained practically unchanged. At the same time, the number of old-style cars and cars which had outlived their service terms increased considerably.

There were serious shortcomings in the organization of passenger traffic, primarily disruptions in the train running timetable. Compared to 1986, the dispatching of passenger trains was 1.9 percent more off schedule, train passings—4 percent and arrivals 5.4 percent more, which means they were respectively 96.4, 91.5 and 85.1 percent on schedule. All but the Alma-Ata Railroad had greater deviations from the schedule, particularly the Volga, North Caucasus, Donetsk, Southern, Transcaucasian, Southeastern, Kemerovo and Gorkiy railroads.

Table 3.

Indicators	Years		
	1986	1987	
	1987, more or less than 1986		
Average daily running distance, km:			
on all lines	416.4	424.7	+8.3
suburban	288.5	290.3	+1.8
long-distance	434.4	443.7	+9.2
Average line speed, km/hour:			
on all lines	46.7	46.7	—
suburban	42.0	41.9	-0.1
long-distance	49.9	50.2	+0.3
Average speed of the line, km/hour:			
on all lines	55.4	55.1	-0.3
suburban	50.9	50.6	-0.3
long-distance	58.3	58.1	-0.2
Deliveries of new passenger cars, each	2,197	2,107	-90
Number of passenger cars with completed repairs, each	64,697	63,584	-1,113
capital repairs made by Main Rolling Stock Repair and Spare Parts Administration shops	12,505	12,574	+69
service repairs made by individual railroads	48,933	47,903	-1,030

Table 3 shows passenger train use and provides data on railcar deliveries and repairs. The average consist for passenger trains stayed at the 1986 level, being held at 12.9 cars on all services, 8.2 on suburban lines and 15.5 on long-distance runs. The average number of people per car was 34.4 (a 0.6 percent increase), with 32 (a 1.3 percent increase) on long-distance service. The figure for suburban service fell by 0.7 percent to 41.4 percent. This indicator fell off for 12 railroads, mostly on the October and Transcaucasian railroads.

The country's subway systems are operating successfully. The yearly plan for passenger traffic was completed ahead of schedule, on 28 December, by 101.2 percent. More than 56 million above-plan passengers rode the metros. All metro collectives fulfilled their passenger traffic quotas. The measures taken to free workers as done in the Belorussian Railroad's working experiment and the savings made in the wage fund from having taken these measures operating cut expenses by R3,141,000 below the plan. The assets saved and the additional moneys earned allowed the subways to reduce their state traffic subsidies. Traffic-related operating costs were reduced by 2.3 percent of the plan, and the labor productivity plan was fulfilled by 113.2 percent.

By actual count, some R546.4 million in capital outlays, or 100.6 percent of the plan were used for metro construction, including R423.1 million, or 101 percent towards the plan for construction and installation work. The quota (17 km) was met for putting new subway lines into operation. Sections on the Gorkiy, Leningrad, Tashkent and Moscow metros were put into operation ahead of schedule. A new subway (3.7 km) was put into operation in Kuybyshev, as was a 1.6-km section on the Novosibirsk Metro.

As a result, the quotas for two years of the 12th Five-Year Passenger Traffic Plan were fulfilled by 101.1 percent, production costs were reduced by 2 percent and labor productivity increased by 8.6 percent.

#### EQUIPMENT UTILIZATION

The improvements made in traffic and operating performance depended in large part on the exchange of rolling stock among the exchange stations. This exchange increased by 2,400 railcars per day for the system overall, and though this was 1.8 percent below the norm, the Belorussian, Moscow, Southwestern, and Southern railroads fulfilled their exchange quotas. Large losses in transit goods caused unsatisfactory exchanges of loaded railcars on the Azerbaijan, Baykal-Amur, Volga, Donetsk, West Kazakhstan and certain other railroads. These losses were caused by flaws in equipment maintenance and the organization of train traffic.

Railcar turnaround slowed down by 5 hours, with 78 percent of this time caused by increased change time for the cars. So the time needed to find a railcar to load increased by 1.9 hours, and by 2 hours at storage sidings.

Since the beginning of the five-year plan period, railcar turnaround for the system as a whole has been sped up by 1.2 hours and the line speed for freight trains was upped by 0.9 km/hour.

The increased number of underweight and incompletely dispatched trains, the reduction of the average freight train consist and a number of other factors have kept the average gross hauled load at 3,085 t, which is 9 t less than the average for 1986. This indicator was lowered on 17 railroads. The plan quota was underfulfilled by 55 t (1.8 percent). Only the Transcaucasian, Krasnoyarsk, Baykal-Amur and East Siberian railroads fulfilled this quota. Except for the Southern and Volga railroads, the gross hauled load for two years of the current five-year plan period was increased by 52 t over 1985 on all of the system's railroads.

In 1987, many railroads improved their locomotive use. As a result, electric locomotive efficiency was raised to 44.3 percent, and to 38.3 percent for diesel locomotives. Unproductive waiting-time spent by electric locomotives in reversing stations and home stations has been reduced, as it has for diesel locomotives in home stations.

The percentage of inoperative electric locomotives in the car barns was lower than the prescribed norm, though it was 0.4 percent above the 1986 level. This indicator for diesel locomotives was within the norm and stayed at last year's level. In 1987, there were 27,200 cases of electric locomotives being brought in for unscheduled repairs, which is a 19 percent increase. For diesel locomotives, these figures are 61,300 repair jobs, or a 3 percent increase. Electric locomotives spent more time undergoing these types of repairs. The greatest number of unscheduled repairs on electric locomotives were made on the Moscow, Gorkiy, Sverdlovsk, South Urals and East Siberian railroads (42 percent of the total number of unscheduled repairs for the system), and on diesel locomotives—on the October, Belorussian, Moscow, Northern, Southeastern, West Kazakhstan, Alma-Ata and Transbaykal railroads (47 percent).

The number of capital repair and maintenance operations carried out was reduced by 3 percent for electric locomotives and 2.5 percent for diesel locomotives. But more time was spent in these repairs: 7.5 percent for electric locomotives and 7.6 percent for diesel locomotives undergoing TR-3 [possibly Class 3 routine repairs], 6.7 and 7.5 percent respectively for Class 2 routine repairs and 10.3 and 2.2 percent for Class 1 routine repairs; 19 and 8.3 percent respectively for electric and diesel locomotives brought in for Class 4 maintenance, and 11.9 and 4.6 percent for Class 3 maintenance. There were also increased numbers of locomotives inspected for overruns during the periods between Class 3 maintenance operations. Thus, every other electric locomotive on the Southwestern Railroad, every fifth electric locomotive on the Sverdlovsk, Lvov and Dnepr railroads, every third diesel locomotive on the Odessa, Volga,

Sverdlovsk and Baykal-Amur railroads, every fourth diesel locomotive on the Tselina and Lvov railroads, and every fifth on the Moldavian and Gorkiy railroads was found to have been run beyond the effective norms for Class 3 maintenance inspections. All this is evidence of the railroads' violations of the system for regularly-scheduled locomotive repairs and maintenance.

The number of defects in the Locomotives Administration increased by 1 percent over 1986. An average of 33 defects showed up every day (15 on electric and 18 on diesel locomotives). The number of electric locomotive derailments and failures increased. The winter months saw an increased number of separations of automatic couplers on both electric and diesel traction.

In 1987, the number of stop signals for incoming and through trains increased by 6 percent for trains with electric locomotives and by 12 percent for trains with diesel locomotives. Some 184,000 t of diesel fuel and 64 million kW/hours of the electric power used to drive trains were saved. At the same time, the October, Krasnoyarsk and Far Eastern railroads mailed to meet prescribed quotas for power resource expenditure. The Gorkiy, Moldavian and Volga railroads allowed overexpenditures of fuel and the Sverdlovsk and West Siberian railways used too much electric power. The use of regenerative braking returned 1.6 billion kW/hours of electric power, or 6 percent below the plan, into the catenary system.

Freight train time-table observation was worse last year by 1.4 percent for dispatching and by 2.7 percent for passing, which means that the time-tables were met by 88.8 and 72.6 percent respectively. This indicator was lower for dispatching trains on 23 railroads, including the Baltic Railroad (by 4.8 percent), the West Kazakhstan Railroad (by 5 percent) and the Sverdlovsk Railroad (by 5.1 percent). Some 26 railroads cut back their trains' signal-passing schedules, particularly the Southeastern, by 8.3 percent, the Transcaucasian and Volga, by 8.5 percent, the Lvov, by 8.9 percent and the Southern, by 9.3 percent.

The problem of providing safe train service is becoming a source of serious concern. A number of accidents and train wrecks took place last year, including some which had severe consequences. The Volga, Southeastern, Gorky, Kemerovo, Azerbaijan, Kuybyshev and Transbaykal railroads have the worst safety records. A considerable number of train wrecks, accidents and defects occur because of violations of production procedures and regulations concerning the maintenance and repair of rolling stock and equipment. The lack of requisite concern for creating favorable working and leisure conditions for railroad workers directly involved with train traffic and the lack of concern for shortcomings in the way they work with people, as well as in their education and training, is also having an effect. Observation of locomotive brigades' working and resting conditions also has a direct effect on the provision of safe train service.

No improvement was observed in this situation in 1987. Moreover, the number of accidents increased on a number of railroads, including the North Caucasus, Volga, Southeastern, Southern and Transcaucasian.

## INDUSTRIAL ENTERPRISES

Fulfillment of plans by the sector's industrial enterprises is crucially important to improving the operation of our railroads. In 1987, their collectives fulfilled and overfulfilled plan quotas for producing major types of output and for repairing most types of rolling stock. Industrial output increased by R89 million. The plan for sales of output, taking delivery obligations into account, were fulfilled by 98.8 percent, or 0.5 percent higher than the national economy as a whole. The consumer goods production plan was overfulfilled by R3.6 million.

Preparations have been made to change plants over to full cost-accounting [polnyy khozraschet] and self-financing. The work done so far during the year under review has increased labor productivity by 5.3 percent and has cut down on lost working time. The average monthly wage was raised by 3.2 percent. The prime cost of industrial output was reduced, which saved over R13 million.

At the same time, lags in meeting plan quotas were allowed in a number of indicators. In particular, the plan for using fixed capital for renovation and retooling was not fulfilled, and the plan for sales of paid services to the population was underfulfilled, although the plan for basic activities of transport enterprises and organizations was not underfulfilled. Some 80 percent of the railroad transport sector's industrial enterprises managed to meet all their contractual obligations. The amount of contracted-for but underdelivered output amounted to R30.5 million. In 1987, a number of the MPS' Main Rolling Stock Repair and Spare Parts Production Administration plants failed to make full deliveries of repaired rolling stock in accordance with their contractual obligations. Specifically, the Astrakhan Diesel Locomotive Repair Plant underdelivered 9 diesel locomotive sections, with this figure standing at 17 for the Voronezh plant, and 210 freight cars for the Baku Railcar Repair Plant, 247 for the Barnaul plant and 392 freight cars for the Tselinograd plant.

Contractual obligations were unfulfilled by 23 plants, including 6 locomotive repair plants, among them the Voronezh plant—R1.8 million (6 percent), the Smelyanskiy plant—R1.7 million (3.7 percent), the Poltava plant—R1 million (2.5 percent); 15 railcar repair plants, including the Barnaul plant—R3 million (7 percent), the Voronezh plant—R0.7 million (2.2 percent), the Ishim plant—R0.9 million (6.4 percent) and the Odessa Machinery Plant—R0.1 million (2.2 percent). Nor did 3 TsShEZ plants meet their output delivery and contractual obligations—the Transsvyaz plant in Kharkov by R0.9 million (5.7 percent), the Leningrad Electrical Equipment Plant by R0.2 million (0.9 percent) and the

Kamyshlovskiy Electrical Equipment Plant—by R0.1 million (0.7 percent). Almost half the Remputmash Production Association plants failed to fulfill the plan for sales of output according to their contracts. They include the Kaluga plant—7.8 percent, the Korshunovskiy plant—3 percent, the Sverdlovsk plant—4.3 percent and the Petukhovo plant, at 1.5 percent under the plan.

The quality of the output and the sporadic nature of its production are causing concern. Under full cost-accounting and self-financing, this will unavoidably aggravate the financial situation. Thus, in 1987 the evenness with which repairs were made on all types of rolling stock, particularly freight and passenger cars, was worsened by doing most of the work during the third week of the month. For example, the Tselinograd Railcar Repair Shop completes repairs on 53.2 percent of its freight cars during the last days of the month and only 17.5 percent during the first days of the month, the Kizil-Arvat shop implements the same policy respectively on 56.3 and 13.9 percent of its repair jobs and the Ordzhonikidze Railcar Repair Shop does 53.2 percent of its work at the end of the month and 13.8 percent at the beginning.

Railroad sector industrial enterprises were the reason half—R15.3 million—of all the output was not delivered to customers in 1987. The plan for this indicator was not fulfilled by 19 railroads, with the largest share of the blame going to the South Urals Railroad with R3.7 million, the Sverdlovsk Railroad—R3.5 million, the Southeastern Railroad—R2 million and the West Siberian Railroad with R1.6 million in undelivered output.

#### EXPANSION OF THE MATERIAL AND TECHNICAL BASE

In 1987, roughly 50 percent of capital outlays were allocated to upgrade and retool the transport sector. This resulted in 622 km of new rail lines, 602 km of secondary tracks and 1,144 km of electrified tracks being put into operation, 1,373 km of tracks being equipped with automatic block, the laying of about 3,006 km of intercity communications cables and the construction of 17.2 km of metro lines. The most important, i.e., the Locomotive, Railcar, Tracks and Rolling Stock Repair and Spare Parts Production administrations were further expanded.

The plan for construction and installation work for the railroad transport sector as a whole was fulfilled by 99.2 percent, with MPS construction organizations fulfilling their plans for construction and installation work by 100.3 percent. Some R22 million went unused, R12 million of which by USSR Mintransstroy [Ministry of Transport Construction].

USSR Mintransstroy organizations worked behind schedule on construction projects on the Odessa, Donetsk, Southeastern, Volga, Kuybyshev, South Urals, Transbaykal and Sverdlovsk railroads (72-95 percent of the plan). The plans for construction and installation

work on laying the new Kholmogorsk Field-Urengoy, Urengoy-Ygelnaya rail lines were unfulfilled, as were the plans for electrification of the Shimanovskaya-Skovorodino, Tyumen-Nazyvayevskaya, Sennaya-Sarataov-Rtishchevo, Mogocha-Skovorodino sections and a number of other projects. On the operating rail system (except for the Baykal-Amur Mainline), Mintransstroy underfulfilled its construction and installation work by R31 million. All capacities on Baykal-Amur Mainline projects called for in the plan were put into operation and the plan for construction and installation work was fulfilled by 103.8 percent.

In 1987, industrial plants underdelivered rolling stock to the railroad transport sector. As a result, the sector failed to receive 137 electric locomotives, 75 main-line diesel locomotives and about 1,400 freight and 186 passenger cars. The Tbilisi Electric Locomotive Building Plan was 40 short in its deliveries of electric locomotives and the Novocherkassk plant was 97 short. The Voroshilovgrad Plant upset the plan for diesel locomotive deliveries, as did the Uralvagonzavod plant for freight and gondola cars, the Dneprodzerzhinskiy plant for flatcars and the Zhdanov plant for deliveries of tank cars. The Gryazi-Orlovskiy Plant underfulfilled the plan for container deliveries.

In order to find a consistent solution to the housing problem, the MPS and the railroads are looking for ways to increase housing construction volumes by diverting a portion of their capital outlays from production-related construction and by bringing in moneys from their workers and from loans and using these assets to build single-family homes. In 1987, state capital investments were used to build approximately 2 million square m of housing, which is enough for 45,000 apartments, and which is 4.9 percent above the plan and almost 20 percent over the 1986 figure. About 4 million square m of housing, preschool facilities for 18,000 children, space for 4,000 hospital beds and many other facilities were constructed in the first two years of the five-year plan period. Overall for 1987, the plan for providing housing was unfulfilled only by the Gorkiy, Odessa, Sverdlovsk and West Siberian, and Volga railroads by a total of 25,400 square m. The North Caucasus Railroad lagged behind the plan for making hospital space available, the Gorkiy and Kemerovo railroads did the same with polyclinics, and the Transbaykal and Kemerovo railroads fell behind in preschool construction.

#### UTILIZATION OF MANPOWER RESOURCES

For the two years of the 12th Five-Year Plan which have just elapsed, while there has been a 3.6 percent increase in the calculated volume of traffic, the number of people employed in rail deliveries has been reduced by 205,000, or almost 10 percent. The year 1987 saw cutbacks of over 121,000 people, 91,000 of whom had worked on 21 railroads which had tried the Belorussian experiment.

The stepped-up and purposeful work to economize manpower resources by all means possible, particularly by speeding up scientific and technical progress and by introducing intensive production methods, has made it possible to attain high growth rates for labor productivity which increased to 14.9 percent, at a target of 4.4 percent, thus surpassing the plan quota 3-fold. Except for the Transcaucasian Railroad in 1986 and the Moldavian, Volga and West Siberian railroads in 1987, the railroads met their socialist obligations for increased labor productivity. During the last two years, the best results were achieved by collectives of the Moscow Railroad—22.7 percent, the Baltic Railroad—20.1 percent, the Alma-Ata Railroad—19.2 percent, the October Railroad—18.8 percent, and a number of other railroads. Of the railroads which changed over to the Belorussian experiment, the Gorkiy, West Kazakhstan, East Siberian, Krasnoyarsk, Transbaykal and Far Eastern railroads managed to meet their quotas successfully, increasing their labor productivity by 15-19 percent.

The following administrations achieved the most growth in labor productivity: Signals and Communications—26.7 percent, Container Transport and Commercial Work—18.6 percent, Electrification and Power Supply—17 percent and Main Lines—16.2 percent. At a quota of 6.7 percent, the industrial enterprises achieved an actual increase of 10.5 percent, and the construction organizations came up with figures of 7.5 and 10.5 percent respectively. Increased overtime hours were worked by 8 railroads. Top figures—from 12 to 22 percent—were achieved by the Donetsk, Southeastern and Southern railroads, which were the same railroads which showed an increase in change-time hours—1.6 to 1.9-fold. The railroads' basic services enterprises cut their overtime last year to 76.6 million hours, or 7.5 percent. However, workers' idle time increased to 19.3 million hours, or by 20.2 percent, most of which occurred in the Locomotives Administration.

As a result of the measures taken to strengthen labor discipline and bring the labor force up to full strength, the labor-force turnover for two years of this five-year plan period was reduced from 10.1 to 9.6 percent. All the basic administrations reduced this indicator except for the Passenger and Main Lines administrations and 24 of the railroads. It increased, however, on the Central Asian, East Siberian, Southwestern and certain other railroads.

At the present stage, railroad workers are faced with the crucial tasks of providing reliable and highly efficient transport operation and meeting all the transport needs of the national economy and the population. An important aspect of their work is the changing over of the transport sector and a number of other national economic sectors to full cost-accounting and self-financing, putting the USSR Law of the State Enterprise (Association) into force and restructuring the administrative organizational makeup. These conditions necessitate radical improvements in the coordination and interaction of the railroads with freight dispatchers and receivers, and manifestation of a business-like attitude and an enterprising nature worthy of a socialist in all areas of economic activity. Making reliable deliveries in complete accordance with enterprise delivery plans and contractual obligations must become the law by which railways and their subdivisions operate.

Railroad transport workers, by organizing and creatively developing economic competition, will do everything possible to provide a worthy greeting to the 19th All-Union Party Conference and to successfully fulfill the quotas of the third year of the five-year plan period.

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